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CALENDAR

BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 5, 1994 - 10:00 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY RED

Note: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall 10:00 a.m., date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   (a) File 100-93-1.3. [Release Reserved Funds for Crime Education] Requesting release of reserved funds, Police Department, Senior Escort Program, in the amount of $300,000 for crime education. (Police Department)

   ACTION: Consideration continued to January 19, 1994.

   (b) File 100-93-1.4. Release Reserved Funds for Water Department, in the amount of $50,361, for the Water Conservation Program.

   ACTION: Amended to revise request for release of reserve funds from $50,361 to $41,068. Release of reserves in the amount of $41,068 approved. FILE

   (c) File 101-89-34.12. [Release Reserve Funds/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $22,110, for asbestos abatement at the Chinatown Branch Library. (Public Library)

   ACTION: Release of reserve funds in the amount of $22,110 approved. FILE

   (d) File 101-89-34.13. [Release Reserved Fund/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $376,566, for Chinatown Branch Library Renovation and Expansion Project. (Also see File 101-92-10.4). (Public Library)

   ACTION: Consideration continued to January 12, 1994.

   (e) File 101-92-10.4. [Release Reserved Funds/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $772,017, for Chinatown Branch Library Renovation and Expansion Project. (Public Library)

   ACTION: Consideration continued to January 12, 1994.

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2. File 101-93-56. [Appropriation/ Police Department] Ordinance appropriating $4,400,000, Police Department, for permanent salaries and overtime, subject of previous budgetary denial; additional funding for uniform salaries and overtime; funded from Controller's Overtime Reserve ($2.4 million) and General Reserve ($2.0 million) RO #93179 (Controller)
(Continued from 12/22/93)

ACTION: Amended on page 1, line 4 by adding "placing $700,000 on reserve". On page 1, line 21 by adding "Section 2. Funds in the amount of $700,000 are placed on reserve for permanent salaries and overtime, pending further review of actual expenditures, to be released by the Budget Committee". On page 2, line 1 by replacing "2" with "3".
New title: "Ordinance appropriating $4,400,000, Police Department, for permanent salaries and overtime, subject of previous budgetary denial; additional funding for uniform salaries and overtime; funded from Controller's Overtime Reserve ($2.4 million) and General Reserve ($2.0 million); placing $700,000 on reserve." RECOMMENDED AS AMENDED (Supervisor Alioto added as sponsor)

3. File 101-93-38. [Appropriation] Ordinance appropriating $101,859, for services of other departments (Police Security Services) for the Treasurer/Tax Collector and appropriating $101,859 for overtime for the Police Department for Fiscal Year 1993-94; funded from interest earnings; providing for ratification of action previously taken. RO #93145 (Controller)
(Continued from 12/22/93)

ACTION: Consideration continued to January 12, 1994.

4. File 170-93-11. [City Wide Radio System] Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness; and approving and ratifying previous actions. (Also see File 282-93-2) (Department of Electricity and Telecommunications)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

5. File 270-93-6. [Earthquake Emergency Relief Fund Expenditure] Resolution approving expenditure of $226,137 from the Mayor's Earthquake Emergency Relief Fund to modernize certain equipment assigned to the Office of Emergency Services (OES), and to equip the Emergency Command Center (ECC) of the City and County of San Francisco. (Mayor's Office of Emergency Services)

ACTION: Amended on page 1, lines 2 and 21 by replacing "$226,137" with "$219,452"; and on line 5 by adding "placing $35,000 on reserve." On page 1, line 23 by adding "and, be it". On Page 2 added "FURTHER RESOLVED, That funds in the amount of $35,000 be placed on reserve pending the selection of consultant, consultant cost details and MBE/WBE status of the consultant, to be released by the Budget Committee."
New title: "Resolution approving expenditure of $219,452 from the Mayor's Earthquake Emergency Relief Fund to modernize certain equipment assigned to the Office of Emergency Services (OES), and to equip the Emergency Command Center (ECC) of the City and County of San Francisco, placing $35,000 on reserve." CONSIDERATION CONTINUED TO JANUARY 19, 1994. (Supervisor Alioto added as sponsor)

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6. File 101-93-49. [Appropriation, Sheriff's Office] Ordinance appropriating $464,734, Sheriff's Office, for permanent salaries, fringe benefits, and other non-personal services for the creation of one position for the Sister Project, a comprehensive treatment program for female inmates with serious substance abuse problems; funded by the State Department of Alcohol and Drug Programs; providing for ratification of action previously taken; companion measure to File 102-93-18. RO #93153 (Controller)

   ACTION: Consideration continued to January 12, 1994. (Supervisor Alioto added as sponsor)

7. File 102-93-18. [Public Employment/Add 1 Position/Sheriff Dept] Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94), Sheriff's Office, reflecting the addition of one position (Classification 8304 Deputy Sheriff); companion measure to File 101-93-49. (Civil Service Commission)

   ACTION: Consideration continued to January 12, 1994. (Supervisor Alioto added as sponsor)

8. File 101-93-51. [Appropriation, Department of Public Works] Ordinance appropriating and certifying $94,063, Department of Public Works, for capital improvement project to cover ten percent overage as per Charter Section 7.203; providing for ratification of action previously taken. RO #93157 (Controller)

   ACTION: RECOMMENDED.

9. File 100-93-20. [Cultural Endowment Funds] Resolution urging the Mayor to make the Cultural Equity Endowment a budgetary priority and to release the allocated supplemental appropriation in the amount of $764,700 to allow the Arts Commission to proceed with the disbursement of the desperately needed funds to historically underserved communities. (Supervisors Hallinan, Bierman)

   ACTION: Hearing held. TABLED.

Public Library, Documents Dept.
Attn: Jane Hudson

CITY AND COUNTY OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 3, 1994

TO: Budget Committee

FROM: Budget Analyst recommendations.

SUBJECT: January 5, 1994 Budget Committee Meeting

Item 1a - File 100-93-1.3

Department: Police Department

Item: Request to release reserved funds for crime education for the Senior Escort Program.

Amount: $300,000

Source of Funds: General Fund

Description: During the 1993-94 budget deliberations, $300,000 of the Police Department's budget was placed on reserve. These funds were budgeted for Professional Services to provide crime prevention and education services for seniors due to the proposed elimination of the Police Department's Senior Escort Program and the transfer of funds to the Commission on Aging. However, the Board of Supervisors has not approved the elimination of the Police Department's Senior Escort Program. As a result, the Police Department has continued to operate the Senior Escort Program and is now requesting the release of this $300,000 to be used to fund the continued operation of the Senior Escort Program.

Comments:

1. In October, 1993, the Senior Escort Program laid off 25 of the remaining 42 employees, in order to bring the Programs' costs in line with the budgeted FY 1993-94 funds. The Senior Escort Program currently includes a staff of 17. However, six of the 25 laid off employees should not have been laid off because it has been determined that these six employees have more seniority than six of the remaining employees. Therefore, as of January 20, 1994, the Police Department must rehire those six employees and lay off six employees with lesser seniority. The six employees with the greater seniority that were laid off and will be rehired will also receive back pay retroactive to November 1, 1993.

2. Based on the prior costs incurred and the current expenditure patterns, including the estimated $61,224 to back pay the six employees who were mistakenly laid off, the Budget Analyst projects that the Department will expend a total of $1,348,180 for Fiscal Year 1993-94, as follows:

Personnel Costs (Salaries and Fringe Benefits)		
Actual Costs, 7/1/93 – 12/31/93	$700,326	
Projected Costs (17 employees), 1/1/94 – 6/30/94	462,864	
Estimated Back Pay (6 rehired employees), 11/1/93 – 1/19/94	61,224	
Total Personnel		$1,224,414
Operating Costs		
Actual 7/1/93 – 11/19/93	$26,044	
Projected 11/20/93 – 6/30/94	97,722	
Total Operating Costs		123,766
Total Actual and Projected Costs FY 1993-94		$1,348,180

3. Sergeant George Walsh of the Police Department advises that although the staff of the Senior Escort Program in the Police Department has been reduced to 17, the Police Department has been unable to reduce most of their $123,766 of operating costs. According to Sergeant Walsh, the Senior Escort Program currently rents three separate sites in the City.

For example, one lease of property at 1101 Capp Street at approximately $1,600 per month ($19,200 annually) is locked into a five-year lease that still has approximately two years remaining. Sergeant Walsh indicates that the Senior Escort Program is using only a portion of the space at this leased property but must continue to pay full rent until the lease expires. Based on discussions with the Budget Analyst's Office, the Police Department is contacting the Real Estate Department in order to consider using the surplus space at this leased property for other City Department space needs until the lease expires.

A second property, located at 948 Pacific Avenue, for which the Senior Escort Program pays $1,040 per month ($12,480 annually) also includes more space than the reduced Senior Escort Program requires. However, alternative space at a lower monthly rent has not yet been located by the Real Estate Department in the same area. Therefore, the Senior Escort Program must continue to pay the full $1,040 per month even though not all of the space is being used.

4. Furthermore, the associated operating costs with these five rentals, such as utilities, building maintenance and repairs and maintenance of copy machines and office equipment in each of these sites might be reduced in conjunction with such reduced space needs.

5. In addition, vehicle maintenance, gasoline and repairs and radio maintenance and repairs are budgeted at higher levels than appear appropriate for the existing staffing levels.

6. The Police Department has the following funds available for the Senior Escort Program for FY 1993-94:

Budgeted Funds for July, 1993	$157,545
Senior Escort Budgeted Funds	800,000
Senior Escort Administration Funds	80,000
Board Created Reserve	29,000
Subtotal Available Funds	$1,066,545
Requested Release of Reserve	$ 300,000
Total Available Funds	$1,366,545

The Budget Analyst notes that the supplemental appropriation for the $29,000 Board Created Reserve has not yet been submitted by the Police Department.

7. The Budget Analyst believes that although a release of some of the reserved funds may be justified based on the actual and projected expenditures detailed above, this item should be continued in order to allow the Police Department and the Real Estate Department time to analyze the alternatives for the rental/lease of space, the associated utility and repair costs, the vehicle and maintenance expenses and other operating expenses. Such alternatives could result in significant reductions in operating costs for the Senior Escort Program for the remainder of Fiscal Year 1993-94 with corresponding changes in the need to release the requested reserved funding.

Recommendation: Continue this item to allow the Police Department and the Real Estate Department time to analyze the alternatives for the rental/lease of space, associated utility and repair costs, vehicle maintenance expenses and other operating expenses and direct the Police Department and the Real Estate Department to report back to the Budget Committee the result of these analyses.

Memo to Budget Committee
January 5, 1994

Item 1b - File 100-93-1.4

Department: Public Utilities Commission (PUC)
San Francisco Water Department

Item: Release of reserve funds, in the amount of $50,361, for the Water Conservation Program.

Amount: $50,361

Source of Funds: Water Department's FY 1993-94 Budget

Description: The Water Department's FY 1993-94 budget request included funding for temporary salaries to phase out the Water Rationing Program and to continue the Department's Water Conservation Program. The Water Conservation Program is intended to provide for the implementation of comprehensive long-range water savings, and includes activities such as public information and education services, media advertising and auditing of accounts with large water usage.

During the FY 1993-94 budget process, the Board of Supervisors approved funding for temporary salaries for the Water Conservation Program through December 31, 1993, and reserved $50,361 for the remaining six months of FY 1993-94, pending the completion of a management audit of the San Francisco Water Department by the Budget Analyst. This management audit is not anticipated to be completed until March, 1994. Because funding for the employees that are currently supporting the Water Conservation Program will be exhausted by December 31, 1993, the Water Department is requesting that the reserved funds be released for the remaining six months of FY 1993-94.

Comments: 1. Based upon inquiries by the Budget Analyst, the Public Utilities Commission (PUC) has subsequently revised its request for release of reserved funds from $50,361 to $41,068, a reduction of $9,293. Specifically, the reserved funds for temporary salaries would be used as follows:

Class	Position	Amount
1446	Secretary II	$19,066
1468	Water Services Clerk	15,738
	Fringe Benefits (approximately 18 percent)	6,264
	Total Requested Reserved Funds	**$41,068**

2. The Budget Analyst has reviewed the activities that would be performed by these two employees for the remainder of FY 1993-94 and recommends approval of release of the reserved funds.

Recommendation: Release the reserved funds in the amount of $41,068 and continue to reserve $9,293 in funds.

Memo to Budget Committee
January 5, 1994

Item 1c - File 101-89-34.12

Department: Public Library
Department of Public Works

Item: Release of reserved funds, in the amount of $22,110 for asbestos abatement at the Chinatown Branch Library

Amount: $22,110

Source of Funds: 1998 Public Library Facilities System Improvement Bonds

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 1901-89-34) to appropriate $11,366,423 in 1988 Library Improvement Bond funds to the Public Library. Of that amount, $3,940,277 was reserved pending (1) submission to the Budget Committee of detailed information on the level and type of services to be provided by the Bureau of Architecture ($175,000), (2) issuance of a Request for Proposals (RFP) for the outside consultant project manager for the new Main Library ($45,000), (3) details of miscellaneous project services ($428,807), and (4) details of Branch Library improvements ($3,263,255) and miscellaneous costs ($28,215). The Budget Committee has subsequently released reserves totaling $2,114,727 leaving a balance on reserve of $1,825,550.

The proposed release of reserve funds in the amount of $22,110, would be expended by the Public Library for asbestos abatement at the Chinatown Branch Library, as follows:

Inspection and Survey Work	$5,000
Performance of Asbestos Abatement	17,110
Total	$22,110

Comments: 1. Mr. Steve Mullinix of the Department of Public Works (DPW) reports that the $22,110 will allow for the completion of asbestos abatement work already begun at the Chinatown Branch Library. Mr. Mullinix advises that the inspection and survey work in the amount of $5,000 would be completed by A.C.C. Environmental under an existing master agreement with the City. A.C.C. Environmental is a woman-owned Disadvantaged Business Enterprise (DBE) firm. The hourly rates including overhead, for A.C.C. Environmental range from $96.91 for a Principal to $31.80 for an Air Monitoring Technician. Mr. Mullinix states that under the master agreement, the inspection and survey work completed thus far by A.C.C. Environmental at the Chinatown Branch Library totals $5,910. This $5,910 was paid for by previously

appropriated 1988 Public Library Facilities System Improvement Bonds. The requested $5,000 would bring the total amount of this inspection and survey work to $10,910.

2. Mr. Mullinix reports that the actual asbestos abatement work, would be completed by Marcor of California under an existing contract. According to Mr. Mullinix, Marcor of California, which is not an MBE or WBE firm, was selected, through the DPW's bid process, to provide the necessary asbestos abatement at the Chinatown Branch Library. Mr. Mullinix advises that Marcor of California's total contract amount to perform this work is $48,200. Of the $48,200, $31,090 has previously been paid for by 1988 Public Library Facilities System Improvement Bonds. The remaining $17,110 is the subject of this request.

Recommendation: Approve the proposed release of reserved funds in the amount of $22,110.

Item 1d and 1e - Files 101-89-34.13 and 101-92-10.4

Department: Public Library

Items: Item 1d, File 101-89-34.13 - Release of reserved funds, in the amount of $376,566, for the Chinatown Branch Library Renovation and Expansion Project.

Item 1e, File 101-92-10.4 - Release of reserved funds, in the amount of $772,017, for the Chinatown Branch Library Renovation and Expansion Project.

Amount: $376,566 - 1988 Public Facilities System Improvement Bonds
772,017 - 1988 Public Facilities System Improvement Bonds
$1,148,583 Total

Source of Funds: 1988 Public Facilities System Improvement Bonds

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate $11,366,423 in 1988 Library Improvement Bond funds to the Public Library. Of that amount, $3,940,277 was reserved pending (1) submission to the Budget Committee of detailed information on the level and type of services to be provided by the Bureau of Architecture ($175,000), (2) issuance of a Request for Proposals (RFP) for the outside consultant project manager for the new Main Library ($45,000), (3) details of miscellaneous project services ($428,807), and (4) details of Branch Library improvements ($3,263,255) and miscellaneous costs ($28,215). The Budget Committee has subsequently released reserves totaling $2,114,727, leaving a balance on reserve of $1,825,550. The Library is now requesting that $376,566 be released from reserve for renovation of the Chinatown Branch Library.

In December of 1992, the Board of Supervisors approved two supplemental appropriation ordinances (Files 101-92-10.1, 101-92-10.2) to appropriate $89,413,545 in 1988 Library Improvement Bond funds plus a gift from the Library Foundation of San Francisco totaling $9,614,568 (File 138-92-27) for an overall total of $99,028,113 for capital improvement projects for the new Main Library and the Branch Libraries. Of the $99,028,113, a total of $6,172,083, including $772,017 for renovation of the Branch Libraries, was placed on reserve pending contract and budget details. The Budget Committee has subsequently released reserves totaling $3,044,499 leaving a balance on reserve of $3,127,584. The Library is now requesting that the $772,017 be released from reserve for the renovation of the Chinatown

Branch Library. The $772,017 plus the $376,566 noted above would bring the total amount requested for release from reserve for this renovation project to $1,148,583. The renovation of the Chinatown Branch Library will include seismic upgrade, handicapped accessibility and a building addition which will provide expanded public space and expanded room to house the Chinatown Branch Library's collections.

Comment: The Public Library has requested that these two items be continued to the Budget Committee meeting on January 12, 1994, in order to allow the Department additional time to provide contract information and budget details, for the Chinatown Branch Library renovation.

Recommendation: Continue the two proposed release of reserved funds until January 12, 1994 as requested by the Public Library.

Memo to Budget Committee
January 5, 1994

Item 2 - File 101-93-56

Note: This ordinance was continued at the December 22, 1993 Budget Committee meeting.

Department: Police

Item: Supplemental appropriation ordinance for Uniform Salaries and Overtime. The supplemental appropriation ordinance is the subject of previous budgetary denial and therefore requires a two-thirds vote for approval by the Board of Supervisors.

Amount: $4,400,000

Source of Funds:

General Fund - Controller's Reserve	$2,400,000
General Fund - General Reserve	2,000,000
Total	$4,400,000

Description:

1. The proposed supplemental appropriation is intended to fund an anticipated budget deficiency for Police Overtime salaries ($2.4 million) and to increase appropriations for uniform salaries to the amounts needed for the remainder of 1993-94 ($2.0 million).

2. The Mayor's recommended 1993-94 budget for Police Overtime was deficient by $2.4 million, in the estimation of the Budget Analyst, based on historical overtime spending by the Department. This underfunding was reported to the Budget Committee by the Budget Analyst during the 1993-94 Budget Hearings in June, 1993. The Chief of Police concurred with the projected budget deficit. In response, the Controller established a special reserve for Police Overtime of $2.4 million in order to fund the anticipated amount for 1993-94.

The Mayor's recommended 1993-94 budget for the Police Department eliminated 85 Uniform Police Officers. During the 1993-94 budget hearings, the Mayor's Office conferred with the Police Officers Association (POA) to determine if the POA's memorandum of understanding (MOU) with the City could be amended to achieve savings of approximately $5.0 million in order to prevent the elimination of the 85 Police Officers.

The POA and the Mayor's Office reached an agreement that:

- Provided for three unpaid furlough days (24 hours of mandatory time off) for Uniform Police Officers saving approximately $1.5 million; and
- Achieved net revenues for MUNI security services and Housing Authority security services of approximately $1.5 million.

In addition, the Chief of the Police Department stated that early retirements would be encouraged in order to save approximately $1.0 million. However, these savings have not been realized and the difference between the savings of $3.0 million for furlough days ($1.5 million) and MUNI/SFHA security services ($1.5 million) and the $5.0 million required for the restoration of the 85 Police Officer positions is $2.0 million. According to the Mayor's Office, the Mayor made a commitment to the POA and the Police Department that the $2.0 million would be funded from the proceeds of Proposition 172 (Sales Tax proceeds) if the ballot measure were to pass. Proposition 172 was approved by the voters in November, 1993, increasing 1993-94 Sales Tax revenue to the City by $22.0 million.

The proposed supplemental appropriation would therefore increase funding for Uniform Salaries by $2.0 million in order to make up the gap between savings and revenues described above and the amount required for restoration of the 85 Police Officers, as well as increasing appropriations for Police overtime by $2.4 million.

Comments:

1. The Budget Analyst has updated projections for Police salaries and overtime. Based on recent large increases in Police Overtime spending during the month of November, 1993, the full amount of this proposed $4.4 million supplemental appropriation will be necessary to fund the Police Department's Uniform salaries and overtime expenditures for the remainder of the 1993-94 Fiscal Year.

However, due to hiring delays for the Police Department's Miscellaneous positions, the Department is currently underspending miscellaneous salaries and benefits. The amount of the surplus in miscellaneous salaries and benefits will depend on future authorization to fill positions such as Police Dispatchers by the Mayor. Depending on such decisions, the amount of the surplus in miscellaneous salaries and benefits will range from $500,000 to $1.0 million.

2. The current Police Department budget is based on the assumption that all uniformed officers would take three unpaid furlough days (mandatory time off) over the remainder of the 1993-94 fiscal year. The unpaid furlough days were agreed to by the Police Officers Association during the 1993-94 budget approval process as a savings to offset the cost of retaining 85 Police Officers who had been eliminated from the budget by the Mayor. The Police Department estimates that approximately $1.5 million will be saved by

the furlough program. This savings was projected in order to balance the Police Department 1993-94 budget.

The Budget Committee, on December 22, 1993, approved a resolution urging the Mayor to require only 16 hours of mandatory time off, instead of 24 hours that would be necessary to achieve the $1.5 million in budget savings described above. If the required mandatory time off is reduced, the Police Department will save $1.0 million instead of the $1.5 million anticipated in the 1993-94 budget. As described above, the Police Department will have a projected surplus of between $500,000 and $1.0 million in miscellaneous salaries and benefits if the proposed supplemental appropriation for $4.4 million is approved. Therefore, the Department will be able to fund the reduction of mandatory time off hours, which will cost approximately $500,000, without requiring another supplemental appropriation.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Memo to Budget Committee
January 5, 1994

Item 3 - File 101-93-38

Note: This item was continued at the Budget Committee meeting of December 22, 1993.

Department: Treasurer/Tax Collector

Item: Supplemental Appropriation for services of other departments (Police Security Services) in the amount of $101,859, providing for ratification of action previously taken.

Amount: $101,859

Source of Funds: Interest Earnings on Treasurer's Pooled Investments

Description: 1. Security Services for the Treasurer's Office were provided by the Police Department prior to Fiscal Year 1993-94 using three full time Building and Grounds Patrol Officers funded through the Police Department's budget. These Building and Grounds Patrol Officers were eliminated from the 1993-94 Police Department's budget along with other personnel who provided City Hall security. The annual cost of the three full time Building and Grounds Patrol Officers for the Treasurer's Office would be $133,815 if it were included in the Police Department's budget this Fiscal Year.

2. The Police Department informed the Treasurer's Office that such security services could be provided at a cost of $122,819 annually if Uniformed Police Officers paid at overtime rates were used instead of the three full time Building and Grounds Patrol Officers, a cost savings of $10,996 annually. This savings results from greater flexibility in using overtime Police Officers (full time staffing would not have to be provided to cover absenteeism and vacation time; the Treasurer would only pay for hours worked) and the fact fringe benefits are not paid for overtime hours worked by Uniformed Police Officers.

3. The Police Department began assigning Uniformed Police Officers on overtime to the Treasurer's Office on September 1, 1993. The estimated cost of this supplemental appropriation for the ten-month period of September 1, 1993 through June 30, 1994 is $101,859, the amount of this supplemental appropriation. The Budget Analyst has reviewed the calculation of this cost and agrees with the amount of the supplemental appropriation.

Comments:

1. According to the Controller, the payment for these services from interest earnings will not impact the 1993-94 budgeted General Fund revenue for interest earnings. Because security services are to be funded from the Treasurer's Pooled Investment income, only a small portion of the cost of providing security services will be incurred by the General Fund. According to the Treasurer's Office, only 5% of the current Pooled Investment fund is General Fund money.

2. When this item was last heard by the Budget Committee, on December 22, 1993, testimony was presented that security personnel for the Treasurer should carry weapons in order to assure adequate protection of the City's treasury. Consequently, the use of uniformed Police would be necessary. The Budget Analyst has confirmed this contention based on discussions with Ms. Minda Ballete of the Treasurer/Tax Collector's Office and Lieutenant Ryan of the Police Department.

Recommendation: Approve the proposed supplemental appropriation.

Item 4 - File 170-93-11

Department: Chief Administrative Officer (CAO)
Department of Electricity

Item: Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness, and approving and ratifying previous actions.

Description: In November, 1993 the citizens of San Francisco approved a $50 million General Obligation Bond measure (Proposition H). The $50 million will be used to (1) finance the lease/purchase of a City-wide radio communications system and related equipment, through a non-profit organization, for various City departments including, but not limited to the Police Department, the Fire Department, the Sheriff's Department, the Department of Parking and Traffic, and the Public Health Department (DPH), and (2) pay for design costs and bond administration costs incurred by the Department of Electricity. The Department of Electricity estimates that of the $50 million, approximately $37 million will be used to purchase equipment. The radio communications system will consist of all equipment necessary to complete the radio wave transmission and reception of information between two points, whether they are mobile or stationary.

Comments: 1. Mr. Fred Weiner of the Department of Electricity reports that an as yet undetermined portion of the $50 million in bonds will be sold in June, 1994 for the first phase of the project. Mr. Weiner advises that prior to the sale of the bonds, the Department of Electricity will request a supplemental appropriation for the up-front design and bond administration costs. The funds obtained with that future supplemental appropriation would be reimbursed from the bond proceeds when the bonds are sold. Mr. Weiner advises that there are no funds in the Department of Electricity's 1993-94 budget that can be used for such costs. Therefore, any up-front monies required in connection with the radio communications system project must be appropriated by supplemental appropriation, which would then be subsequently reimbursed from the Proposition H Bond proceeds.

2. Mr. Weiner reports that U. S. Treasury Department regulations require that the City declare its official intent to reimburse itself for any expenditures that are to be financed by the proceeds of bonds, when such expenditures are incurred before the bonds have been sold. The proposed resolution would declare such intent by the City. Additionally, the

proposed resolution would approve and ratify actions taken by the Department of Electricity in connection with bond administration and design of the radio communications system prior to the sale of the bonds.

3. The proposed resolution declaring the City's official intent to reimburse itself from bond proceeds does not bind the City to make any expenditure, incur any indebtedness or proceed with the proposed project with respect to the bond funds.

Recommendation: Approve the proposed resolution.

Memo to Budget Committee
January 5, 1994 Budget Committee Meeting

Item 5 - File 270-93-6

Department: Mayor's Office of Emergency Services (OES)

Item: Resolution approving expenditure of $226,137 from the Mayor's Earthquake Emergency Relief Fund to obtain consultant services and to purchase additional equipment for the Mayor's Office of Emergency Services, Emergency Command Center.

Source of Funds: Mayor's Earthquake Emergency Relief Fund
(The balance in this Fund, as of December 13, 1993, is $303,000.)

Amount: $226,137

Description: The design and construction of the City's new Emergency Command Center (ECC), located at 1003A Turk Street, was financed with 1986 Fire Protection Bonds (Proposition A). The ECC, which became operational in August 1993, is used to coordinate emergency relief efforts in the event of an earthquake or other major emergencies. In the event of an emergency, the ECC will enhance coordination of emergency efforts by various City departments, including the Fire Department, the Department of Public of Health, the Police Department, the Department of Social Services, MUNI, the Sheriff, the Medical Examiner, the Recreation and Park Department, and the Department of Public Works. Additionally, the ECC will accommodate emergency personnel from the State Office of Emergency Services, Pacific Gas & Electric, Pac Bell, AT&T, the San Francisco Unified School District, Caltrans, the American Red Cross, the CHP, military liaison personnel and other appropriate agencies.

The 1986 Fire Protection Bonds, which were used for the design and construction of the ECC, cannot be used for the purchase of equipment. As such, the Mayor's Office of Emergency Services is proposing to use the Mayor's Earthquake Emergency Relief Fund to purchase additional equipment and consulting services aimed at enhancing the ECC's ability to conduct emergency recovery operations in the most efficient manner possible. The Board of Supervisors previously approved a request from the Mayor's Office of Emergency Services for the expenditure of $213,200 from the Mayor's Earthquake Emergency Relief Fund to purchase equipment for the ECC in order to make the ECC minimally operational (File 270-92-3), and also approved an expenditure of $198,793 from the Mayor's Earthquake Relief Fund

providing the ECC with a major telecommunications upgrade and an overhaul of the Emergency Command Van (File 270-93-3). According to Admiral John Bitoff, this proposed expenditure will provide a Geographic Information System (GIS), additional workstations and associated software, and consultant services to revise the ECC's Emergency Operations Plans.

The Mayor's Earthquake Emergency Relief Fund was established for purposes of receiving all private and public grants, gifts and bequests of money and property provided to the City for needed expenditures resulting from the October 17, 1989 Loma Prieta earthquake. Any monies expended from this Fund are subject to approval by the Board of Supervisors. As previously noted, the balance in this Fund, as of December 13, 1993, is $303,000.

The budget details for the proposed equipment and consultant services totaling $219,452 is as follows:

Geographic Information System (GIS) (see Comment #2)		
Computer Equipment (Workstation and peripheral equipment)	$85,575	
Computer Software	40,815	
Installation and Training	19,200	
Subtotal	145,590	
Less 10% discount	14,559	
Subtotal		$131,031
Software & Hardware (see Comment #3)		
Computer Equipment (3 Workstations and peripheral equipment)	$19,515	
Computer Software	19,016	
Mobile Communication System (for use by OES and Mayor's Alternate Staff Operations Site)	14,890	
Subtotal		$53,421
Personal Services Contract (see Comment #4)		
Planning consultant for the Emergency Operations Plan		35,000
Total		$219,452

Comments:

1. According to Admiral John Bitoff, Director of the OES, the amount requested is $219,452, and not $226,137, as specified in the proposed legislation. Therefore, the proposed resolution should be amended to approve an expenditure of $219,452, rather than $226,137.

2. According to Admiral Bitoff, the OES Geographic Information System (GIS) is viewed as a major demonstration project of the Electronic Information Processing Subcommittee (EIPSC). Admiral Bitoff advises that GIS will display information, maps, forms, and imagery simultaneously on large assessment screens for the ECC, thus providing a real-time crisis management system incorporating all facets of disaster information collection, assessment, and dissemination so that decision-makers can have displayed all the critical issues necessary to act quickly and decisively.

3. Admiral Bitoff advises that OES has conducted a comprehensive evaluation of the software and hardware needs of the ECC, and that the three additional workstations and the associated software requested in the proposed budget are the final items needed to provide a fully operational ECC.

The item listed as "Mobile Communication System" (consisting of a computer, portable fax machine, portable printer, cellular and land line phones, power adapters, and battery packs) is for the Mayor's Alternative Operations Site (ASOS). According to Admiral Bitoff, in the event of a major emergency whereby City Hall is evacuated, the Mayor's staff will relocate to Moscone Center in order to provide basic governmental services (complementing the life and property-saving roles of the ECC). Admiral Bitoff advises that during a City-wide emergency preparedness exercise in April of 1993, the ASOS concept was tested with a deployment of the Mayor's staff to Moscone Center. This exercise highlighted a number of deficiencies in organization and communications, according to Admiral Bitoff. Mr. Bitoff advises that the "Mobile Communication System" is the most cost effective means to assure that the Mayor's staff remains operational during an emergency.

4. Admiral Bitoff advises that a consultant has not, as yet, been selected to provide the necessary consultant services for the Emergency Operations Plans. Therefore, the proposed resolution should be amended by placing the $35,000 for consultant services on reserve pending the selection of the consultant, the consultant cost details and the MBE/WBE status of the consultant.

Recommendations: 1. Amend the proposed resolution for an expenditure of $219,452, rather than $226,137.

2. Approval of the proposed resolution as amended is a policy matter for the Board of Supervisors. Should the Board of Supervisors decide to approve the proposed resolution, amend the proposed resolution to place $35,000 on reserve for consultant services, pending the selection of the consultant, the consultant cost details and the MBE/WBE status of the consultant.

Memo to Budget Committee
January 5, 1994

Items 6 and 7 - Files 101-93-49 and 102-93-18

Department: Sheriff

Items: Item 6, File 101-93-49 - Supplemental appropriation ordinance to accept and appropriate a State grant for salaries and fringe benefits of one new position and other non-personal costs of the Sisters in Sober Treatment Empowered in Recovery (SISTER) Project; providing for ratification of action previously taken.

Item 7, File 102-93-18 - Ordinance to amend the Annual Salary Ordinance to create one new position for the SISTER Project.

Amount: $464,734

Source of Funds: State Department of Alcohol and Drug Programs grant

Description: In August, 1993, the Board of Supervisors authorized the Sheriff's Office to apply for a grant of up to $667,379 for the SISTER Project (File 152-93-4). The SISTER Project would provide comprehensive gender specific treatment to women incarcerated in Jail #7 (located at 1 Mooreland Drive in San Bruno) by addressing the unique health, psycho-social and treatment needs of women prisoners. The SISTER Project consists of five components, as follows:

- Pre-treatment in-custody screening
- In-custody treatment program
- Electronic monitoring day treatment program
- Programs for children of some participants
- Continuing care for post-incarcerated women

The goal of the SISTER Project is to help its participants break cycles of drug addiction and enjoy improved physical, mental, social and economic health. In addition, the SISTER Project would provide data on the improvement of inter-agency cooperation, as well as on the specific factors that contribute to a drug-free lifestyle, successful program implementation, a decrease in criminal behavior, and an increase in economic independence.

The State Department of Alcohol and Drug Programs has granted a total of $1,945,371 for the SISTER Project for a three year period beginning October 1, 1993 through September 30, 1996, including $624,955 for the first year of the grant for the period from October 1, 1993 through September 30, 1994. The proposed $464,734 supplemental appropriation is for the nine months of grant funding in Fiscal Year 1993-94 for the period from October 1, 1993 through June 30, 1994. Grant funding

for the SISTER Project in Fiscal Years 1994-95, 1995-96 and 1996-97 will be appropriated through the regular budget approval process for those fiscal years.

The proposed ordinance to amend the Annual Salary Ordinance (File 102-93-18) would create one new grant funded, part-time (half-time) 8304 Deputy Sheriff position to co-manage the SISTER Project with a consultant Program Director. The 8304 Deputy Sheriff position has a biweekly salary range from $1,429 to $1,731 and a maximum annual salary of $45,179 at the top step.

The proposed supplemental appropriation ordinance (File 101-93-18) would appropriate grant funding for the proposed new part-time 8304 Deputy Sheriff position in addition to other Sheriff's Department and contractual expenses.

Budget:

The nine-month budget for the grant funded SISTER Project for the period from October 1, 1993 through June 30, 1994 is as follows:

Personnel		
Program Co-Manager (0.50 FTE)	$18,007	
Fringe Benefits (28.1%)	5,063	
Total Personnel		**$23,070**
Operating Expenses		
Travel (out of State)	$2,500	
Equipment (computer lease, office equipment rental)	5,475	
Total Operating Expenses		**$7,975**
Contractual Services		
Program Director		
Dr. Anita DeFrantz (8 hrs/week for 39 weeks at $33.65 per hour)		$10,500

Walden House (In-custody Treatment)		
Personnel		
Program Manager	$25,069	
Intake-Data Entry Clerk	14,325	
Case Manager (3.0 FTE)	45,123	
Day Counselor	13,609	
Weekend Counselor (2.0 FTE)	10,886	
Therapist (2.0 FTE)	21,488	
Driver (0.25 FTE)	3,224	
Fringe Benefits (17.6%)	23,508	
Subtotal Personnel	$157,232	
Operating Expenses		
Local Transportation	$4,584	
Supplies	2,005	
Insurance	3,581	
Staff Training	933	
Subtotal Operating Expenses	$11,103	
Total		$168,335
Walden House (Day Treatment)		
Personnel		
Facility Manager Clinical Coordinator and Counselors	$40,959	
Fringe Benefits (28.5%)	11,676	
Subtotal Personnel	$52,635	
Operating Expenses		
Travel	$1,000	
Equipment	1,396	
Supplies	5,346	
Maintenance and Rent	20,104	
Subtotal Operating Expenses	$27,846	
Total		80,481
Acupuncture Recovery Treatment Services (In-custody Treatment)		
Certified Acupuncturist (292.5 hours at $50 per hour)	$14,625	
Supplies (needles, swabs, etc.)	9,750	
Total		24,375

Walden House (Program for Children)		
Personnel		
Case Manager (0.5 FTE)	$10,238	
Fringe Benefits (19.4%)	1,987	
Subtotal Personnel	$12,225	
Operating Expenses		
Travel	$939	
Equipment	875	
Supplies	3,326	
Other	7,385	
Subtotal Operating Expenses	$12,525	
Total		$24,750
Prison Mothers And Their Children (Program for Children)		3,750
Walden House (Continuing Care for Post Incarcerated Women)		
Personnel		
Unknown Classifications (1.3 FTE)	$23,485	
Fringe Benefits (23.7%)	5,555	
Subtotal Personnel	$29,040	
Operating Expenses		
Travel	$188	
Equipment	122	
Supplies	458	
Other	5,321	
Subtotal Operating Expenses	$6,089	
Total		35,129

University of California (Project Evaluation Consultant)		
Personnel		
Psychologist (0.4 FTE	$12,828	
Research Assistant (0.3 FTE)	8,488	
Policy Analyst (0.2 FTE)	4,559	
Administrative Assistant (0.1 FTE)	1,780	
Fringe Benefits (26.7%)	7,397	
Subtotal Personnel	$35,052	
Operating Expenses		
Computer Equipment	$1,650	
Supplies	575	
Postage	287	
Telephone	1,084	
Photocopying	967	
Psychological Tests	1,862	
Other	213	
Subtotal Operating Expenses	$6,638	
Subtotal - Direct Costs	$41,690	
Administrative Costs		
(25.8% of Direct Costs of $41,690	10,756	
Total		$52,446
Total Contractual Services		**$399,766**
Subtotal - SISTER Project Direct Costs		$430,811
Indirect Costs (7.9%)		**$33,923**
Total SISTER Project		**$464,734**

Required Match: None

No. of Program Participants: 248 women

Indirect Costs: $33,923 (7.3%)

Comments: 1. Ms. Ida Strickland of the Sheriff's Office reports that the Sheriff's Office has already incurred costs that will be funded by the grant. Therefore, the proposed supplemental appropriation ordinance provides for ratification of actions previously taken.

2. According to Ms. Strickland, all of the contractors are nonprofit organizations and were selected on a sole source basis, due to the uniqueness of the services to be provided.

3. The "Grant Application Information Form" as prepared by the Sheriff's Department, is attached.

4. The Department has completed a Disability Access Checklist which is on file with the Clerk of the Board.

5. The Sheriff's Office requests that the proposed ordinances concerning the SISTER Project be continued for one week in order to allow the Sheriff's Office to reverify the financial information provided by the contractors (one contractor's administrative office has been closed for the holidays).

Recommendation: Continue the proposed ordinances to January 12, 1994 in order to allow the Sheriff's Office to reverify the financial information provided by the contractors.

File Number _____

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Sheriff's Department

Contact Person: Eileen Hirst Telephone: 554-7225

Project Title: The SISTER Project (Sisters in Sober Treatment Empowered in Recovery)

Grant Source: Federal Center for Substance Abuse Treatment

Proposed (New / Continuation) Grant Project Summary:

The SISTER Project proposes to provide comprehensive, gender-treatment in-custody to women incarcerated in San Francisco County Jail #7, addressing the unique health, psycho-social and treatment needs of women in jail.

The SISTER Project consists of five components: 1) a pre-treatment in-custody screening; 2) an in-custody treatment program; 3) an electronic monitoring day treatment program; 4) a program for children of some participants; and, 5) a continuing care component for post-incarcerated women.

SISTER, with the assistance and support of the local criminal justice community, will support the process of understanding prior substance abuse and criminal behavior, and help women understand the impact of those factors on family, friends, and self. It is hoped that participants will break cycles of addiction and enjoy improved physical, mental, social and economic health.

Process and outcome evaluation will provide data on the improvement of inter-agency cooperation as well as on the specific factors that contribute to a drug-free lifestyle, successful program implementation, a decrease in criminal behavior, and an increase in economic independence.

Amount of Grant Funding Applied for: $667,379

Maximum Funding Amount Available: $667,379

Required Matching Funds: -0-

Number of Positions Created and Funded: one full-time and two half-time

Amount to be Spent on Contractual Services: $558,366

Will Contractual Services be put out to Bid? No

Term of Grant: 10-1-93 through 9-30-94

Date Department Notified of Available funds: 11-30-93

Application Due Date: July 3, 1993

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

In order to achieve the primary goals of this program, i.e., to improve treatment outcomes for correctional populations, successful applicants are expected to structure a project approach which ensures that treatment programming is responsive to the complexity and diversity of individual treatment needs. CSAT considers that responsive, state-of-the-art treatment programs have certain characteristics in common, however; the most fundamental of these is the program's ability to:

1. Conduct comprehensive, standardized assessments of individual characteristics (biomedical, neuro/psychiatric, psychological, social, behavioral);

2. Ensure that each individual is provided with a continuum of services and interventions specifically designed to meet her unique needs and that these interventions are provided in a manner that is socially and culturally appropriate, as well as effective;

3. Evaluate the impact of the treatment and habilitative continuum, both treatment and, in some cases, at intervals following treatment completion; and,

4. Utilize evaluation finding to identify which interventions appear to work best for different individuals; and,

5. Maintain a substantial degree of flexibility in order to correct/refine treatment programming.

Department Head Approval

Memo to Budget Committee
January 5, 1994

Item 8 - File 101-93-51

Department: Department of Public Works (DPW)

Item: Supplemental appropriation ordinance for a capital improvement project to cover overage above ten percent of the contracted amount pursuant to provisions of Charter Section 7.203 and providing for ratification of action previously taken for Fiscal Year 1993-1994.

Amount: $94,063

Source of Funds: Reappropriation of previously appropriated capital project funds (Sewer Service Revenue Fund)

Description: The DPW reports that the proposed supplemental appropriation in the amount of $94,063 would be used to pay for contract modifications, which exceed ten percent of the original contract, for the Arkansas and Freelon Streets Sewer Replacement Project. Charter Section 7.203 requires authorization of the Board of Supervisors if the amount of a contract is increased by more than ten percent of the original contract amount.

Comments:

1. The Arkansas and Freelon Streets Sewer Replacement Project consists of replacing 446 feet of 12-inch diameter vitrified (baked at a very high temperature) clay pipe, 692 feet of 15-inch diameter clay pipe, and 956 feet of 18-inch diameter clay pipe that was damaged during the 1989 earthquake.

2. The DPW advises that the additional expenditures resulted because contaminated soil was discovered during excavation, which required the removal, transport, and disposal of hazardous waste material. This work was performed by the original contractor, Ranger Pipeline Inc., at an additional net cost of $124,550.

3. The budgetary details of this contract overage above ten percent of the original contract amount for the Arkansas and Freelon Sewer Replacement Project are as follows:

Original Contract Amount	$304,872
Contract Modifications ($144,330 for hazardous waste removal less $19,780 in quantity changes to the original contract for replacement of pipes)	124,550
Revised Contract Amount	$429,422
Previously Appropriated Funds for Contractual Services (including 10% contingency of $30,487)	$335,359
Excess of Revised Contract Amount Over Previously Appropriated Funds	$94,063

4. As reflected above, a total of $335,359 was previously appropriated due to the original contract amount of $304,872 plus a ten percent contingency of $30,487. The actual revised contract amount of $429,422 includes contract modifications which resulted in a net increase of $124,550 or 40.9 percent greater than the original contract amount of $304,872. Therefore, as stated above, Charter Section 7.203 requires authorization of the Board of Supervisors since the contract modification exceeds ten percent of the original contract amount. However, the $94,063 proposed supplemental appropriation request represents the difference between the previously appropriated funds of $335,359 and the revised contract amount of $429,422.

5. As stated previously, the removal, transport, and disposal of the subject hazardous waste has already been completed. Therefore, the proposed ordinance would provide for ratification of action previously taken.

6. According to Mr. Bob Badgley of the DPW, capital projects funded with the Sewer Service Revenue Fund are prioritized by DPW in order of importance, and then are funded accordingly. Therefore, the proposed $94,063 in reappropriated capital project funds will result in less funds for lower priority projects.

Recommendation: Approve the proposed ordinance.

Memo to Budget Committee
January 5, 1994

Item 9 - File 100-93-20

Department: Arts Commission

Item: Resolution urging the Mayor to make the Cultural Equity Endowment a budgetary priority and to release the allocated $764,700 supplemental appropriation to allow the Arts Commission to proceed with the disbursement of the desperately needed funds to historically underserved communities.

Amount: $764,700

Description: In January, 1993, the Board of Supervisors approved an ordinance to amend the Municipal Code to provide for the allocation of Hotel Tax monies to a Cultural Equity Endowment Fund (File 127-92-11). Effective July 1, 1993, this Cultural Equity Endowment Fund is to be allocated 1.25 percent of Hotel Taxes. Beginning July 1, 1994, this Fund will receive 1.75 percent of Hotel Taxes and as of July 1, 1995 this Fund will receive 2.25 percent of Hotel Taxes.

The estimated amount of Hotel Taxes that will be allocated to the Cultural Equity Endowment Fund for FY 1993-94 is $764,700 (1.25 percent of the budgeted Hotel Tax base revenues). The proposed resolution would urge the Mayor to release funds in the amount of $764,700, which has been allocated for the first year for the use by the San Francisco Cultural Equity Endowment Fund. According to the proposed resolution, this Fund was created to finance arts institutions and individual artists of all disciplines to reflect the experiences of historically underserved communities such as women, African-American, Asian-American, Pacific Islanders, the disabled, Latino, lesbian, gay and Native American communities.

Comments: 1. The Board of Supervisors has established guidelines for the disbursement of the Cultural Equity Endowment Fund and authorized the Art Commission to administer and implement the Cultural Equity Endowment Programs (File 97-93-49). Under these guidelines, there are four Programs to be financed with the Fund: (1) Cultural Equity Initiatives Program, (2) The Commissions to Individual Artists Program, (3) Project Grants to Small and Mid-Size Organizations and (4) The Facilities Fund Program. The Art Commission is not required to fund all four of these Programs if the Art Commission determines, after review and evaluation, that the demand under a particular Program does not warrant

expenditure of the allocated portion of the Cultural Equity Endowment Fund.

2. The Art Commission may expend no more than 16 percent of the total Fund monies for administrative costs in FY 1993-94. Ms. Joanne Winship of the Arts Commission reports that as part of the proposed supplemental appropriation, the Arts Commission is proposing to hire two employees to administer and oversee the Cultural Equity Endowment Programs.

3. The Hotel Tax rate is currently 12 percent, consisting of an eight percent basic tax rate and a four percent surcharge. In 1993-94, $61,176,000 is budgeted for the eight percent base and $29,518,000 is budgeted for the four percent surcharge. As indicated above, the Cultural Equity Endowment Fund allocation of $764,700 represents 1.25 percent of the budgeted eight percent Hotel Tax base revenues.

4. According to Ms. Joanne Winship of the Arts Commission, a supplemental appropriation request for $764,700 for the Cultural Equity Endowment Fund was submitted to the Mayor's Office in late November, 1993.

5. According to Mr. David Heindel of the Mayor's Budget Office, the Mayor's Office is in the process of submitting this supplemental appropriation for $764,700 to the Controller's Office and the Board of Supervisors. Mr. Heindel indicates that the proposed supplemental appropriation includes $676,850 for the four grants and loans Programs and $87,850 for Arts Commission staff to administer the four grant and loan Programs .

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

for Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Shelley
President Alioto
Clerk of the Board
Supervisor Bierman
Chief Administrative Officer
Supervisor Conroy
Controller
Supervisor Hallinan
Teresa Serata
Supervisor Kaufman
Robert Oakes
Supervisor Kennedy
Ted Lakey
Supervisor Leal
Supervisor Maher
Supervisor Migden

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BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 12, 1994 - 10:00 A.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO FOR ITEMS #1-5 and 12-13

CLERK: MARY L. RED

REGULAR CALENDAR

1. File 101-89-34.13. [Release Reserved Fund/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $376,566, for Chinatown Branch Library Renovation and Expansion Project. (Also see File 101-92-10.4). (Public Library)
(Continued from 1/5/94)

   ACTION: Consideration continued to January 26. (Supervisor Alioto absent)

2. File 101-92-10.4. [Release Reserved Funds/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $772,017, for Chinatown Branch Library Renovation and Expansion Project. (Public Library)
(Continued from 1/5/94)

   ACTION: Consideration continued to January 26. (Supervisor Alioto absent)

3. File 101-93-38. [Appropriation] Ordinance appropriating $101,859, for services of other departments (Police Security Services) for the Treasurer/Tax Collector and appropriating $101,859 for overtime for the Police Department for Fiscal Year 1993-94; funded from interest earnings; providing for ratification of action previously taken. RO #93145 (Controller)
(Continued from 1/5/94)

   ACTION: RECOMMENDED. (Supervisor Alioto absent)

4. File 101-93-49. [Appropriation, Sheriff's Office] Ordinance appropriating $464,734, Sheriff's Office, for permanent salaries, fringe benefits, and other non-personal services for the creation of one position for the Sister Project, a comprehensive treatment program for female inmates with serious substance abuse problems; funded by the State Department of Alcohol and Drug Programs; providing for ratification of action previously taken; companion measure to File 102-93-18. RO #93153 (Supervisor Alioto)
(Continued from 1/5/94)

   ACTION: RECOMMENDED. (Supervisor Alioto absent)

5. File 102-93-18. [Public Employment/Add 1 Position/Sheriff Dept] Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94), Sheriff's Office, reflecting the addition of one position (Classification 8304 Deputy Sheriff); companion measure to File 101-93-49. (Supervisor Alioto)
(Continued from 1/5/94)

ACTION: RECOMMENDED. (Supervisor Alioto absent)

6. File 101-93-57. [Mayor's Office of Children, Youth & Their Families] Ordinance appropriating $1,300,710, Mayor's Office of Children, Youth & Their Families, for salaries, fringe benefits, medical services contracts, and rescinding $1,300,710 for professional services for the Children's Fund; rescinding $1,300,710 for salaries, fringe benefits, medical services contracts, for the General Fund, reassigning two positions from the General Fund to the Children's Fund; companion measure to File 102-93-17. RO #93129 (Controller)

ACTION: RECOMMENDED.

7. File 102-93-17. [Public Employment/Add 2 Positions/DPH] Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94), reflecting the addition of two positions in the Children's Funds (Classifications 2830 Public Health Nurse and 2930 Psychiatric Social Worker) and the deletion of one position (Classification 2830 Public Health Nurse) in the Public Health Central Office and the deletion of one position (Classification 2930 Psychiatric Social Worker) in the Community Mental Health. (Civil Service Commission)

ACTION: RECOMMENDED.

8. File 101-93-59. [Dept. of Mental Health Substance Abuse Services] Ordinance appropriating $342,819, Department of Mental Health-Substance Abuse Services, for non-personal services; providing for ratification of action previously taken; added funds from State Alcohol Program. RO #93185 (Controller)

ACTION: Amended on line 3 to delete "providing for ratification of action previously taken"; and beginning on line 15, the entire "Section 4".
New title: "Ordinance appropriating $342,819, Department of Mental Health-Substance Abuse Services, for non-personal services; added funds from State Alcohol Program." RECOMMENDED AS AMENDED
(Supervisor Alioto added as sponsor)

9. File 101-93-36. [Appropriation for Audit of the Viacom Cablevision] Ordinance appropriating $39,858 for non-personal services (audit of Viacom Cablevision) for the Board of Supervisors for Fiscal Year 1993-94 funded from cable television access and development fund balance, providing for ratification of action previously taken. (Controller)

ACTION: Amendment of the Whole (as presented by Controller) adopted.
New title: "Ordinance appropriating $39,858 for non-personal services (Audit of Viacom Cablevision) for the Board of Supervisors for Fiscal Year 1993-1994, funded from the General Fund Reserve (Board reserves), providing for ratification of action previously taken." RECOMMENDED AS AMENDED

10. File 203–93–2. [Quitclaim Deeds/Water Department Easement] Ordinance directing the City to quitclaim a certain portion of a Water Department easement in Alameda County to the underlying fee owners; authorizing the execution and delivery of two quitclaim deeds; authorizing the recordation of the quitclaim deeds; authorizing the Director of Property to make changes to the quitclaim deeds; authorizing City Officials to execute and deliver any document necessary to implement this ordinance; and ratifying any action previously taken in connection with this ordinance. (Real Estate Department)

    ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

11. File 170–93–14. [General Obligation Bonds, Unified School District] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of improvements for the San Francisco Unified School District, including facility upgrades, construction of new improvements, renovation of certain improvements to comply with the American Disabilities Act, removal and abatement of certain hazardous materials and acquisition of related equipment, that the estimated cost of $95,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Chief Administrative Officer)

    ACTION: RECOMMENDED (Supervisor Hsieh dissenting). Supervisors Alioto and Bierman added as sponsors.

12. File 65–94–1. [Approving Giants Candlestick Park Lease Amendment] Ordinance approving a fourth amendment to the Candlestick Park lease between the City and County of San Francisco and the San Francisco Giants, which provides for the prepayment of a portion of the Giants' 1994 rent if necessary to finance stadium improvements. (Supervisor Hsieh)

    ACTION: Ordinance amended on lines 2 and 11 by replacing "Fourth" with "Fifth". Agreement amended on page 1 to change "fourth amendment" to "fifth amendment"; and on page 2, the amount "$900,000" changed to "$1.1 million". New title: Ordinance approving a fifth amendment to the Candlestick Park lease between the City and County of San Francisco and the San Francisco Giants, which provides for the prepayment of a portion of the Giants' 1994 rent if necessary to finance stadium improvements." RECOMMENDED AS AMENDED (Supervisor Alioto absent) Supervisor Alioto added as co–sponsor.

13. File 65–94–2. [Approving Forty Niners Candlestick Park Lease Amendment] Ordinance approving a ninth amendment to the candlestick park lease between the City and County of San Francisco and the San Francisco Forty Niners, which provides for the prepayment of a portion of the Forty Niners' 1994 rent if necessary to finance stadium improvements. (Supervisor Hsieh))

    ACTION: RECOMMENDED. (Supervisor Alioto absent) Supervisor Alioto added as co–sponsor.

Public Library, Documents Dept.
ATTN: Jane Judson

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 10, 1994

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TO: Budget Committee

FROM: Budget Analyst

SUBJECT: January 12, 1994 Budget Committee Meeting

Items 1 and 2 - Files 101-89-34.13 and 101-92-10.4

Note: This item was continued from the Budget Committee meeting on January 5, 1994.

Department: Public Library

Items: Item 1, File 101-89-34.13 - Release of reserved funds, in the amount of $376,566, for the Chinatown Branch Library Renovation and Expansion Project.

Item 2, File 101-92-10.4 - Release of reserved funds, in the amount of $772,017, for the Chinatown Branch Library Renovation and Expansion Project.

Amount:

$376,566	1988 Public Facilities System Improvement Bonds
772,017	1988 Public Facilities System Improvement Bonds
$1,148,583	Total

Source of Funds: 1988 Public Facilities System Improvement Bonds

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate $11,366,423 in 1988 Library Improvement Bond funds to the Public Library. Of that amount, $3,940,277 was reserved pending (1) submission to the Budget Committee of detailed information on the level and type of services to be

provided by the Bureau of Architecture ($175,000), (2) issuance of a Request for Proposals (RFP) for the outside consultant project manager for the new Main Library ($45,000), (3) details of miscellaneous project services ($428,807), and (4) details of Branch Library improvements ($3,263,255) and miscellaneous costs ($28,215). The Budget Committee has subsequently released reserves totaling $2,114,727, leaving a balance on reserve of $1,825,550. The Library is now requesting that $376,566 be released from reserve for renovation of the Chinatown Branch Library.

In December of 1992, the Board of Supervisors approved two supplemental appropriation ordinances (Files 101-92-10.1, 101-92-10.2) to appropriate $89,413,545 in 1988 Library Improvement Bond funds plus a gift from the Library Foundation of San Francisco totaling $9,614,568 (File 138-92-27) for an overall total of $99,028,113 for capital improvement projects for the new Main Library and the Branch Libraries. Of the $99,028,113, a total of $6,172,083, including $772,017 for renovation of the Branch Libraries, was placed on reserve pending contract and budget details. The Budget Committee has subsequently released reserves totaling $3,044,499 leaving a balance on reserve of $3,127,584. The Library is now requesting that the $772,017 be released from reserve for the renovation of the Chinatown Branch Library. The $772,017 plus the $376,566 noted above would bring the total amount requested for release from reserve for this renovation project to $1,148,583. The renovation of the Chinatown Branch Library will include seismic upgrade, handicapped accessibility and a building addition which will provide expanded public space and expanded room to house the Chinatown Branch Library's collections.

Comment: The Public Library has requested that these two items be continued to the Budget Committee meeting on January 26, 1994, in order to allow the Department additional time to provide contract information and budget details, for the Chinatown Branch Library renovation.

Recommendation: Continue the two proposed release of reserved funds until January 26, 1994 as requested by the Public Library.

Item 3 - File 101-93-38

Note: This item was continued at the Budget Committee meeting of January 5, 1994.

Department: Treasurer/Tax Collector

Item: Supplemental Appropriation for services of other departments (Police Security Services) in the amount of $101,859, providing for ratification of action previously taken.

Amount: $101,859

Source of Funds: Interest Earnings on Treasurer's Pooled Investments

Description:

1. Security Services for the Treasurer's Office were provided by the Police Department prior to Fiscal Year 1993-94 using three full time Building and Grounds Patrol Officers funded through the Police Department's budget. These Building and Grounds Patrol Officers were eliminated from the 1993-94 Police Department's budget along with other personnel who provided City Hall security. The annual cost of the three full time Building and Grounds Patrol Officers for the Treasurer's Office would be $133,815 if it were included in the Police Department's budget this Fiscal Year.

2. The Police Department informed the Treasurer's Office that such security services could be provided at a cost of $122,819 annually if Uniformed Police Officers paid at overtime rates were used instead of the three full time Building and Grounds Patrol Officers, a cost savings of $10,996 annually. This savings results from greater flexibility in using overtime Police Officers (full time staffing would not have to be provided to cover absenteeism and vacation time; the Treasurer would only pay for hours worked) and the fact fringe benefits are not paid for overtime hours worked by Uniformed Police Officers.

3. The Police Department began assigning Uniformed Police Officers on overtime to the Treasurer's Office on September 1, 1993. The estimated cost of this supplemental appropriation for the ten-month period of September 1, 1993 through June 30, 1994 is $101,859, the amount of this supplemental appropriation. The Budget Analyst has reviewed the calculation of this cost and agrees with the amount of the supplemental appropriation.

Comments:

1. According to the Controller, the payment for these services from interest earnings will not impact the 1993-94 budgeted General Fund revenue for interest earnings. Because security services are to be funded from the Treasurer's Pooled Investment income, only a small portion of the cost of providing security services will be incurred by the General Fund. According to the Treasurer's Office, only 5% of the current Pooled Investment fund is General Fund money.

2. When this item was heard by the Budget Committee, on December 22, 1993, testimony was presented that security personnel for the Treasurer should carry weapons in order to assure adequate protection of the City's treasury. Consequently, the use of uniformed Police would be necessary. The Budget Analyst has confirmed this contention based on discussions with Ms. Minda Ballete of the Treasurer/Tax Collector's Office and Lieutenant Ryan of the Police Department.

3. This matter was continued at the January 5, 1994 Budget Committee meeting in order to permit the Mayor's Office, the Treasurer and Local 790 (SEIU) to resolve certain labor issues related to the provision of security services to the Treasurer. The Mayor's Office and Local 790 intend to report back to the Budget Committee on these matters at the January 12, 1994 Budget Committee meeting.

Recommendation: Approve the proposed supplemental appropriation.

Items 4 and 5 - Files 101-93-49 and 102-93-18

Note: These items were continued at the January 5, 1994 Budget Committee Meeting to allow the Sheriff's Office time to reverify financial information provided by the contractors. The Sheriff's Office has provided the Budget Analyst with the required, revised information.

Department: Sheriff

Items: Item 4, File 101-93-49 - Supplemental appropriation ordinance to accept and appropriate a State grant for salaries and fringe benefits of one new position and other non-personal costs of the Sisters in Sober Treatment Empowered in Recovery (SISTER) Project; providing for ratification of action previously taken.

Item 5, File 102-93-18 - Ordinance to amend the Annual Salary Ordinance to create one new position for the SISTER Project.

Amount: $464,734

Source of Funds: State Department of Alcohol and Drug Programs grant

Description: In August, 1993, the Board of Supervisors authorized the Sheriff's Office to apply for a grant of up to $667,379 for the SISTER Project (File 152-93-4). The SISTER Project would provide comprehensive gender specific treatment to women incarcerated in Jail #7 (located at 1 Mooreland Drive in San Bruno) by addressing the unique health, psycho-social and treatment needs of women prisoners. The SISTER Project consists of five components, as follows:

- Pre-treatment in-custody screening
- In-custody treatment program
- Electronic monitoring day treatment program
- Programs for children of some participants
- Continuing care for post-incarcerated women

The goal of the SISTER Project is to help its participants break cycles of drug addiction and enjoy improved physical, mental, social and economic health. In addition, the SISTER Project would provide data on the improvement of inter-agency cooperation, as well as on the specific factors that contribute to a drug-free lifestyle, successful program implementation, a decrease in criminal behavior, and an increase in economic independence.

The State Department of Alcohol and Drug Programs has granted a total of $1,945,371 for the SISTER Project for a three year period beginning October 1, 1993 through September 30, 1996, including $624,955 for the first year of the grant for the period from October 1, 1993 through September 30, 1994. The proposed $464,734 supplemental appropriation is for the nine months of grant funding in Fiscal Year 1993-94 for the period from October 1, 1993 through June 30, 1994. Grant funding for the SISTER Project in Fiscal Years 1994-95, 1995-96 and 1996-97 will be appropriated through the regular budget approval process for those fiscal years.

The proposed ordinance to amend the Annual Salary Ordinance (File 102-93-18) would create one new grant funded, part-time (half-time) 8304 Deputy Sheriff position to co-manage the SISTER Project with a consultant Program Director. The 8304 Deputy Sheriff position has a biweekly salary range from $1,429 to $1,731 and a maximum annual salary of $45,179 at the top step.

The proposed supplemental appropriation ordinance (File 101-93-18) would appropriate grant funding for the proposed new part-time 8304 Deputy Sheriff position in addition to other Sheriff's Department and contractual expenses.

Budget:

The nine-month budget for the grant funded SISTER Project for the period from October 1, 1993 through June 30, 1994 is as follows:

Personnel		
Program Co-Manager (0.50 FTE)	$18,007	
Fringe Benefits (28.1%)	5,063	
Total Personnel		**$23,070**
Operating Expenses		
Travel (out of State)	$2,500	
Equipment (computer lease, office equipment rental)	5,475	
Total Operating Expenses		**$7,975**
Contractual Services		
Program Director		
Dr. Anita DeFrantz (8 hrs/week for 39 weeks at $33.65 per hour)		$10,500

Walden House (In-custody Treatment)

Personnel		
Program Manager (0.9 FTE)	$25,069	
Intake-Data Entry Clerk (1.0 FTE)	14,325	
Case Manager (3.0 FTE)	45,123	
Day Counselor (0.9 FTE)	13,609	
Weekend Counselor (2.0 FTE)	10,886	
Therapist (2.0 FTE)	21,488	
Driver (0.25 FTE)	3,224	
Fringe Benefits (17.6%)	23,508	
Subtotal Personnel	$157,232	
Operating Expenses		
Local Transportation	$4,584	
Supplies	2,005	
Insurance	3,581	
Staff Training	933	
Subtotal Operating Expenses	$11,103	
Total		$168,335

Walden House (Day Treatment)

Personnel		
Facility Manager (0.08 FTE)	$2,196	
Coordinator (0.33 FTE)	5,479	
Counselor (0.86 FTE)	13,616	
Intake Worker (0.14 FTE)	2,144	
Program Admin. Staff (0.31 FTE)	4,788	
Clerical Support Staff (0.61 FTE)	12,736	
Fringe Benefits (28.5%)	11,676	
Subtotal Personnel	$52,635	
Operating Expenses		
Travel	$1,000	
Equipment	1,396	
Supplies	5,346	
Rent	10,728	
Communications	3,593	
Equipment Rent and Repair	994	
Utilities	1,260	
Other	3,529	
Subtotal Operating Expenses	$27,846	
Total		80,481

Acupuncture Recovery Treatment Services (In-custody Treatment)		
Certified Acupuncturist (292.5 hours at $50 per hour)	$14,625	
Supplies (needles, swabs, etc.)	9,750	
Total		$24,375
Walden House (Program for Children)		
Personnel		
Case Manager (0.5 FTE)	$10,238	
Fringe Benefits (19.4%)	1,987	
Subtotal Personnel	$12,225	
Operating Expenses		
Travel	$939	
Equipment	875	
Supplies	3,326	
Rent	4,298	
Communications	386	
Equipment Rent and Repair	542	
Utilities	812	
Other	1,347	
Subtotal Operating Expenses	$12,525	
Total		24,750
Prison Mothers And Their Children (Program for Children)		3,750
Family Therapists and Case Managers will provide four hours per week of structured family services to program participants. (4 hours per week for 39 weeks at $24.04 per hour)		
Walden House (Continuing Care for Post Incarcerated Women)		
Personnel		
Program Manager (0.26 FTE)	$7,200	
Counselor (0.91 FTE)	14,412	
Clerical Support Staff (0.15 FTE)	1,873	
Fringe Benefits (23.7%)	5,555	
Subtotal Personnel	$29,040	

Operating Expenses		
Travel	$188	
Equipment	122	
Supplies	458	
Rent	2,840	
Communications	950	
Equipment Rent and Repair	263	
Utilities	334	
Other	934	
Subtotal Operating Expenses	$6,089	
Total		$35,129

University of California (Project Evaluation Consultant)

Personnel		
Psychologist (0.4 FTE	$12,828	
Research Assistant (0.3 FTE)	8,488	
Policy Analyst (0.2 FTE)	4,559	
Administrative Assistant (0.1 FTE)	1,780	
Fringe Benefits (26.7%)	7,397	
Subtotal Personnel	$35,052	
Operating Expenses		
Computer Equipment	$1,650	
Supplies	575	
Postage	287	
Telephone	1,084	
Photocopying	967	
Psychological Tests	1,862	
Other	213	
Subtotal Operating Expenses	$6,638	
Subtotal - Direct Costs	$41,690	
Administrative Costs (25.8% of Direct Costs of $41,690)	10,756	
Total		52,446
Total Contractual Services		**$399,766**
Subtotal - SISTER Project Direct Costs		$430,811
Indirect Costs (7.9%)		$33,923
Total SISTER Project		**$464,734**

Required Match: None

No. of Program Participants: 248 women

Indirect Costs: $33,923 (7.9% of SISTER Project direct costs)

Comments:

1. Ms. Ida Strickland of the Sheriff's Office reports that the Sheriff's Office has already incurred costs that will be funded by the grant. Therefore, the proposed supplemental appropriation ordinance provides for ratification of actions previously taken.

2. According to Ms. Strickland, all of the contractors are nonprofit organizations and were selected on a sole source basis, due to the uniqueness of the services to be provided.

3. The "Grant Application Information Form" as prepared by the Sheriff's Department, is attached.

4. The Department has completed a Disability Access Checklist which is on file with the Clerk of the Board.

Recommendation: Approve the proposed ordinances.

File Number _____

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Sheriff's Department

Contact Person: Eileen Hirst Telephone: 554-7225

Project Title: The SISTER Project (Sisters in Sober Treatment Empowered in Recovery)

Grant Source: Federal Center for Substance Abuse Treatment

Proposed (New / Continuation) Grant Project Summary:

The SISTER Project proposes to provide comprehensive, gender-treatment in-custody to women incarcerated in San Francisco County Jail #7, addressing the unique health, psycho-social and treatment needs of women in jail.

The SISTER Project consists of five components: 1) a pre-treatment in-custody screening; 2) an in-custody treatment program; 3) an electronic monitoring day treatment program; 4) a program for children of some participants; and, 5) a continuing care component for post-incarcerated women.

SISTER, with the assistance and support of the local criminal justice community, will support the process of understanding prior substance abuse and criminal behavior, and help women understand the impact of those factors on family, friends, and self. It is hoped that participants will break cycles of addiction and enjoy improved physical, mental, social and economic health.

Process and outcome evaluation will provide data on the improvement of inter-agency cooperation as well as on the specific factors that contribute to a drug-free lifestyle, successful program implementation, a decrease in criminal behavior, and an increase in economic independence.

Amount of Grant Funding Applied for: $667,379*

Maximum Funding Amount Available: $667,379

Required Matching Funds: -0-

Number of Positions Created and Funded: one full-time and two half-time

Amount to be Spent on Contractual Services: $558,366

Will Contractual Services be put out to Bid? No

* State Department of Alcohol and Drug Programs awarded $624,955 for the first of a three year grant totalling $1,945,371. $464,734 is nine months of grant funding from October 1, 1993 through June 30, 1994.

Term of Grant: 10-1-93 through 9-30-94

Date Department Notified of Available funds: 11-30-93

Application Due Date: July 3, 1993

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

In order to achieve the primary goals of this program, i.e., to improve treatment outcomes for correctional populations, successful applicants are expected to structure a project approach which ensures that treatment programming is responsive to the complexity and diversity of individual treatment needs. CSAT considers that responsive, state-of-the-art treatment programs have certain characteristics in common, however; the most fundamental of these is the program's ability to:

1. Conduct comprehensive, standardized assessments of individual characteristics (biomedical, neuro/psychiatric, psychological, social, behavioral);

2. Ensure that each individual is provided with a continuum of services and interventions specifically designed to meet her unique needs and that these interventions are provided in a manner that is socially and culturally appropriate, as well as effective;

3. Evaluate the impact of the treatment and habilitative continuum, both treatment and, in some cases, at intervals following treatment completion; and,

4. Utilize evaluation finding to identify which interventions appear to work best for different individuals; and,

5. Maintain a substantial degree of flexibility in order to correct/refine treatment programming.

Department Head Approval

Items 6 and 7 - Files 101-93-57 and 102-93-17

Departments: Mayor's Office of Children Youth and their Families (MOCYF)
Department of Public Health (DPH)

Items: Item 6, File 101-93-57 – Supplemental appropriation ordinance appropriating $1,300,710 to the MOCYF for salaries, fringe benefits and medical services contracts for the Children's Fund, rescinding $1,300,710 from the DPH (General Fund) for salaries, fringe benefits and medical services contracts, and reassigning two positions from the DPH to the MOCYF. The proposed supplemental appropriation ordinance is the subject of previous budgetary denial and would ratify action previously taken.

Item 7, File 102-93-17 – Ordinance to amend the Annual Salary Ordinance to transfer two positions from the DPH (General Fund) to the MOCYF (Children's Fund).

Amount: $1,300,710

Source of Funds: Children's Fund

Description: In approving the 1993-94 budget, the Board of Supervisors included, as a Restoration Reserve, a transfer in the amount of $1,600,000 for purposes of paying for services, budgeted to the DPH for children, thereby permitting $1,600,000 of General Fund revenues to be included in the DPH budget for other needed expenditures.

The Children's Amendment to the San Francisco Charter (Section 6.415) was approved as Proposition J in November, 1991. The Children's Amendment requires that the City identify a baseline level of services to children (in fiscal years 1990-91 or 1991-92, whichever was greater) which must continue to be provided for ten years (adjusted by the percentage of change in City appropriations after 1991-92). Additionally, the Children's Amendment establishes a Children's Fund to pay for services to children above and beyond the baseline level of services. The Children's Fund is financed by a set aside of property tax revenues ($0.0125 per $100 assessed valuation for FY 1992-93 and $0.025 per $100 assessed valuation for FY 1993-94 and subsequent years).

Each year, the City must adopt a Children's Services Plan, in accordance with the Children's Amendment, that details the City's allocations of the Children's Fund. Budgets for baseline children's services expenditures are included in regular departmental budgets. The Children's Services Plan for each

year must allocate at least 25 percent of the Children's Fund to each of three service categories: 1) childcare, 2) health and social services, and 3) job readiness, training and placement. The balance of not more than 25 percent may be used only for libraries, recreation, delinquency prevention and education programs for children.

The Fiscal Year 1993-94 Children's Services Plan previously approved by the Board of Supervisors (File 185-92-5) allocated a total of $13,200,000 as follows:

Childcare	$3,069,926
Health and Social Services	3,069,926
Job Readiness, Training and Placement	3,069,926
Library, Recreation, Delinquency Prevention, Education	3,069,926
Administration	920,296
Total	$13,200,000

In approving the City's Fiscal Year 1993-94 budget, including the MOCYF (Children's Fund) budget, the Board of Supervisors determined that children's services in the DPH General Fund budget totaling $1.6 million would be financed by the Children's Fund. The Board of Supervisors directed the DPH and MOCYF to identify which DPH services to children (originally estimated at $1.6 million) would qualify under the Children's Amendment to be transferred from DPH (General Fund) to the MOCYF (Children's Fund).

The DPH and MOCYF have identified a total of $1,300,710 in DPH services that qualify for Children's Fund monies in accordance with provisions of the Children's Amendment. The proposed supplemental appropriation ordinance (File 101-93-57) would transfer the budget for this $1,300,710, including two positions and five medical services contracts from the DPH that is funded by the General Fund to the MOCYF that is funded by the Children's Fund. Of the $13.2 million total allocated in the 1993-94 Children's Services Plan, a total of $3,866,185 is allocated for the San Francisco Unified (not the San Francisco Unified School District) Departmental Services Fund. The MOCYF has not yet completely allocated the monies in this Fund. Rather than reduce funding for all other programs of the Children's Fund in order to pay for the proposed $1,300,710 of services transferred from DPH, the MOCYF would fund the proposed transfer of DPH children's services from the San Francisco Unified Departmental Services Fund allocation. Thus, there would be no increase in the overall Children's Fund and all other allocations (other than the San Francisco Unified Departmental Services Fund) of the Children's Fund would remain intact.

The proposed ordinance (File 102-93-17) to amend the Annual Salary Ordinance would transfer the salaries and fringe benefits for two positions from DPH to MOCYF, resulting in no net change in the number of City-wide positions, as follows:

	Classification	Biweekly Salary Range	Maximum Salary at Top Step
2930	Psychiatric Social Worker	$1,690-2,053	$53,583
2830	Public Health Nurse	$2,199-2,572	$67,129

The proposed supplemental appropriation would transfer funding for the two positions and five medical services contracts from DPH to the Children's Fund as follows:

Personnel

2930 Psychiatric Social Worker $24,299

A half-time Psychiatric Social Worker (at the third step) for a program that enhances social competence among Asian children who are dually diagnosed as developmentally delayed and mentally disabled. Services are provided through integrated play groups conducted at school and community based mental health clinics.

2830 Public Health Nurse 31,658

A half-time Public Health Nurse (at the third step) investigates the causes of lead poisoning in children and medical surveillance of children to ensure their safety.

Mandatory Fringe Benefits 12,753

Total Personnel $68,710

Contractual Services

Horizons Unlimited $600,000

This agency provides day treatment services to Latino youth drug abusers and sellers. Services include full day services of counseling, support services, parenting, family reunification, referral services, vocational training, and social activities. The program capacity is for 60 youth.

Westside Community Mental Health
- Intake and Assessment for Youth $100,000

This program provides intake assessment and develops treatment plans for youth substance abusers and sellers. The program capacity is 60 youth.

Morrisania West, Inc. 250,000

This agency provides day treatment services with a focus on African American youth. The day treatment program has a capacity of 30 youth, who receive extensive drug intervention and treatment. Other services include social and parenting activities, vocational services, and information and referral.

Potrero Hill Neighborhood House 250,000

This program provides day treatment services to African American adolescents and youth. Program emphasis is on individual, group and family substance abuse counseling. Additional services include vocational, job readiness training, tutoring, and community awareness training. The program capacity is 30 youth.

Primary Intervention Program 32,000

The Primary Intervention Program (PIP) is a model of early intervention developed and evaluated in Rochester, New York that has been adopted as a Statewide model with support from the State Departments of Mental Health and Education. Paraprofessionals work in elementary schools for a 12-week period as "Special Friends" to pre-school and elementary school children identified by teachers as "at risk". Mental health professionals provide training and clinical consultation. The Edgewood Children's Center provides training and administration of the PIP programs. The various neighborhood Community Mental Health Clinics provides clinical supervision one hour a week.

Total - Contractual Services $1,232,000

Total Proposed Transfer of Children's Services (Supplemental Appropriation Ordinance) $1,300,710

Comments:

1. Approval of the proposed supplemental appropriation ordinance requires eight votes (a two-thirds majority) of the Board of Supervisors because the proposed supplemental appropriation is the subject of previous budgetary denial.

2. The proposed ordinances would change the source of funding for the subject children's services. The DPH has been performing these children's services since the beginning of the Fiscal Year (July 1, 1993) and will continue to perform the services in the future. Therefore, the proposed supplemental appropriation ordinance would ratify actions previously taken.

3. The re-budgeting of $1,300,710 in DPH services under the Children's Fund is $299,290 less ($1,600,000 less $1,300,710) than the $1.6 million included in the 1993-94 budget. Therefore, the General Fund - General Reserve will have to decrease by the $299,290 amount in order to fund 1993-94 DPH expenditures.

Recommendation: Approve the proposed ordinances to transfer the source of funding for two positions and five medical services contracts from the DPH (General Fund) to the MOCYF (Children's Fund).

Item 8 - File 101-93-59

Department: Department of Public Health (DPH)
Community Substance Abuse Services (CSAS)

Item: Supplemental appropriation ordinance in the amount of $342,819 for non-personal services for the Department of Mental Health - Substance Abuse Services for fiscal year 1993-94, and providing for action previously taken.

Amount: $342,819

Source of Funds: State Department of Alcohol and Drug Programs

Description: The DPH advises that it was recently notified by the State that the City will receive an additional allocation in the amount of $342,819 from the State Department of Alcohol and Drug Programs for FY 1993-94. The $342,819 will bring the total State allocation to $16,019,636 for FY 1993-94.

The proposed supplemental appropriation ordinance would authorize the DPH to receive and expend the additional $342,819 from the State. The DPH is proposing to use this additional funding to restore partial funding to four community-based organizations to provide services which would include (1) residential detoxification for homeless clients, (2) child care, and support services for women in substance abuse treatment and (3) methadone detoxification services. The specific community-based organizations to be funded are as follows:

Salvation Army - $58,000

The proposed funds would provide an additional four residential detoxification beds, bringing the total number of Salvation Army beds available to 22. The program would provide detoxification services to an estimated total of 360 predominantly homeless clients during the current year. The proposed $58,000 would be expended as follows:

Personnel	FTE	
Detox Coordinator	0.08	$2,016
Counselor	0.34	4,543
Resident Manager	0.50	5,242
Weekend Counselor	0.33	2,935
Emergency Relief Staff	0.08	1,111
Weekend Manager	0.33	2,222
Support Staff	0.50	8,204
Management Information System		

	FTE	
Coordinator	0.17	$3,048
Fringe Benefits		7,037
Subtotal Personnel	2.33	$36,358
Operating Expenses		16,376
Administrative Overhead (10% of direct costs)		5,266
Total Salvation Army		$58,000

St. Vincent de Paul Society - $25,000

The proposed funds would provide an additional two residential detoxification beds, bringing the total number of St. Vincent de Paul Society beds available to 20. The program would provide detoxification services to an estimated total of 150 predominantly homeless clients during the current year. The proposed $25,000 would be expended as follows:

Personnel	FTE	
Director	0.03	$1,102
Assistant Director	0.03	901
Administrative Assistant	0.03	666
Data Coordinator	0.03	549
Cook	0.03	456
Second Cook	0.03	456
Maintenance Staff	0.03	533
Senior Counselor	0.06	1,316
Counselor	0.28	4,566
Program Assistant	0.17	2,093
Fringe Benefits		3,665
Subtotal Personnel	0.72	$16,303
Operating Expenses		6,155
Administrative Overhead (11% of direct costs)		2,542
Total St. Vincent de Paul Society		25,000

Iris Center - $92,000

The proposed funds would provide support services and child care services for women in substance abuse treatment. The Center would serve an estimated 100 women and approximately 150 children during the current year. The proposed $92,000 would be expended as follows:

Personnel	FTE	
Executive Director	0.06	$3,864
Associate Director	0.06	2,553
Counselor Services Director	0.04	1,390
Coordinator	0.15	$5,631
Administrative Director	0.05	1,681
Project Assistant	0.15	4,028
Receptionist	0.06	1,380
Administrative Assistant II	0.10	2,728
Senior Counselor C	0.22	6,745
Recovery Counselor B	0.22	5,708
Recovery Counselor D	0.04	1,490
Recovery Counselor F	0.22	6,193
Recovery Counselor I	0.22	5,890
Childcare Worker	0.12	2,977
Fringe Benefits		12,020
Subtotal Personnel	1.71	$64,278
Operating Expenses		19,498
Administrative Overhead (10 % of direct costs)		8,224
Total Iris Center		$92,000

Bayview Hunter's Point Foundation - $167,819

The proposed funds would be used to provide (1) methadone detoxification services to approximately 313 clients, (2) outpatient counseling and acupuncture treatment to approximately 300 clients and (3) outpatient services to approximately 22 clients who reside at the Alice Griffith Housing Authority facility. The proposed $167,819 would be expended as follows:

Personnel	FTE	
Methadone Detoxification:		
Program Director	0.06	$1,620
In-take Billing Clerk	0.21	2,760
Medical Records Clerk	0.10	1,252
LVN	0.17	6,890
Counselor	0.27	6,075
Medical Director	0.05	3,370
Counselor Coordinator	0.21	3,510
Janitor	0.04	540
Acupuncture Services:		
Program Director	0.03	1,620
Acupuncturist	0.81	24,300

	FTE		
Herbal Specialist Clerk	0.13	$3,510	
Outpatient Services:			
Program Director	0.03	1,620	
Janitor	0.04	1,296	
Acupuncturist	0.40	12,636	
Counselor	0.54	14,742	
Secretary	0.54	11,610	
Fringe Benefits		22,421	
Subtotal Personnel	3.63	$119,772	
Operating Expenses		$29,716	
Administrative Overhead (12% of direct costs)		18,331	
Total Bayview Hunters Point			$167,819
Grand Total			**$342,819**

Comments:

1. The DPH advises that the $342,819 State allocation can only be used to support alcohol and substance abuse related services.

2. As noted above, the proposed ordinance provides for "ratification of action previously taken". The DPH reports that the Department has already received the proposed additional allocation, which has a term of July 1, 1993 to June 30, 1994. However, according to the DPH, no expenditures have been incurred thus far against this additional allocation. As such, the proposed ordinance should be amended to delete the reference to "ratification of action previously taken" from the title and the body of the proposed legislation.

Recommendation: Amend the proposed ordinance to delete the reference to "ratification of action previously taken" from the title and body of the legislation and approve the proposed ordinance as amended.

Item 9 - File 101-93-36

Note: The proposed ordinance was rereferred to the Budget Committee by the Board of Supervisors on January 3, 1994.

Department: Board of Supervisors

Item: Supplemental Appropriation for professional services to conduct an audit of Viacom Cablevision; providing for ratification of action previously taken.

Amount: $39,858

Source of Funds: Unappropriated Revenue Reserved - Cable Television Access & Development Fund (the franchise fee payments made by Viacom)

Description: In September, 1993, the Board of Supervisors adopted a motion directing the Budget Analyst to conduct a comprehensive audit of the franchise fees paid by the operations of Viacom Cablevision under its Cable Television Franchise with the City.

The proposed management audit was estimated to cost $39,858 based on 600 hours to complete the audit at the Budget Analyst's average hourly rate of $66.43. The motion stated that the audit will be paid from franchise fee payments made to the City by Viacom. Based on such funding, the Budget Analyst allocated additional staffing resources in order to begin the audit at the time the motion was passed, as requested by the Author of the motion.

This proposed supplemental appropriation would allocate existing unappropriated special fund (Cable Television Access & Development Fund) revenue for this management audit.

Comments: 1. The Budget Analyst began work on the management audit in October, 1993 as directed by the Board of Supervisors motion. The audit is now nearing completion and a final report should be issued within the next month. Consequently, this proposed supplemental appropriation ordinance provides for ratification of action previously taken.

2. Attachment 1 is the previous motion approved by the Board of Supervisors (File 165-93-6) directing the Budget Analyst to conduct this audit. The motion states that the Board would pay for this audit from the franchise fee payments made to the City by Viacom.

3. Attachment 2 is the Clerk of the Board's letter to the Mayor requesting the $39,858. Consistent with the Board's request that this audit be paid from the franchise fee payments, the Clerk notes that the requested source of funds is not from General Fund reserves.

4. This supplemental appropriation was approved by the Budget Committee on December 15, 1993 and by the full Board of Supervisors on December 20, 1993 on first reading of the ordinance. On January 3, 1994, the ordinance was considered on second reading by the Board of Supervisors and rereferred to the Budget Committee in order to reconsider the source of funds for the supplemental appropriation.

5. The source of funds for the proposed supplemental appropriation is a Board of Supervisors policy matter.

Recommendation: Based on the previously adopted motion of the Board of Supervisors and the fact that audit work is nearing completion as directed by the Board, approve the proposed supplemental appropriation.

Attachment 1

FILE NO. 165-93-6

MOTION

DIRECTING THE BUDGET ANALYST TO CONDUCT A COMPREHENSIVE AUDIT OF THE FRANCHISE FEES PAID BY AND OPERATIONS OF VIACOM CABLEVISION UNDER ITS CABLE TELEVISION FRANCHISE WITH THE CITY, AND PROVIDING FUNDS FOR THE AUDIT.

BE IT MOVED, That the Board of Supervisors hereby directs the Budget Analyst to conduct a comprehensive and independent audit of the franchise fees paid by and the operations of Viacom Cablevision under its Cable Television Franchise with the City;

FURTHER MOVED, That the Board of Supervisors shall pay for the audit from franchise fee payments made to the City by Viacom.

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SUPERVISOR BIERMAN
0073p/24

BOARD OF SUPERVISORS

Adopted - Board of Supervisors, San Francisco September 7, 1993

Ayes: Supervisors Alioto Bierman Conroy Hallinan Kaufman Kennedy Leal Maher Migden Shelley

Absent: Supervisor Hsieh

I hereby certify that the foregoing motion was adopted by the Board of Supervisors of the City and County of San Francisco

John L. Taylor
Clerk

File No.
165-93-6

24

BOARD of SUPERVISORS

City Hall
San Francisco 94102
554-5184

September 13, 1993

The Honorable Frank Jordan
Mayor
200 City Hall
San Francisco, CA 94102

Dear Mayor Jordan:

This is not a request for a General Fund appropriation.

Enclosed is a request for a supplemental appropriation from the Cable Television Access and Development Fund and a related motion adopted by the Board of Supervisors.

Because of changes in federal law, the city is likely to undertake increased regulation of cable television in San Francisco. In preparation for that activity, the Board of Supervisors desires to have an audit of the Viacom's payments of its franchise fees to the City.

The cost of the proposed audit is $39,858. The year end balance in the fund was $36,056 which is available for this appropriation. In addition, the 1993-94 appropriation ordinance appropriated significantly less than the revenues likely to be received. Thus I am confident the controller will be able to certify sufficient revenues will be available in the fund for this audit.

Your prompt approval of this supplemental appropriation request will be appreciated.

Sincerely,

John L. Taylor
Clerk of the Board

Enclosure

cc: Budget Analyst

0001d(1)

Item 10 - File 203-93-2

Departments: Public Utilities Commission (PUC), Water Department
Real Estate Department

Item: The proposed ordinance would (1) direct the City to quitclaim a certain portion of a Water Department easement in Alameda County to the underlying fee owners (the owners of the vacant property subject to the easement), (2) authorize the execution and delivery of two quitclaim deeds, (3) authorize the recording of the quitclaim deeds, (4) authorize the Director of Property to make changes to the quitclaim deeds, (5) authorize City officials to execute and deliver any document necessary to implement this ordinance and (6) ratify any action previously taken in connection with this ordinance.

Subject Property: A portion of a San Francisco Water Department easement, affecting approximately 1.26 acres, located in the City of Pleasanton in Alameda County

Description: The Real Estate Department reports that in 1948, the City sold certain surplus real property located in Alameda County and reserved for itself a 50 foot wide easement for water related facilities. According to the Real Estate Department no facilities were ever constructed within the easement. Subsequently, the City of Pleasanton in Alameda County developed its own municipal water system, which replaced the need for the City's water facility easement. According to the Real Estate Department, because this easement was no longer required, the City has, over the years, quitclaimed portions of the easement back to the owners of the property subject to the easement (where the easement crosses over the property of the owner) upon their request.

The proposed ordinance would authorize the Water Department and the Real Estate Department to execute two quitclaim deeds by which the City would release all rights, title and interest in a 1.26 acre portion of the water facility easement to Mr. King Bor Lee and Ms. Foon C. Lee and to Mr. John P. Corley and Ms. Fern L. Corley respectively. These individuals are owners of two separate vacant pieces of property subject to the easement and have requested that the portion of the easement be quitclaimed to them in connection with their plans to subdivide their respective properties.

The Real Estate Department reports that the two property owners have already paid the City $2,500 each, for a total of $5,000 for the approximately 1.26 acre portion of the easement. Mr. Larry Ritter of the Real Estate Department advises that

the $5,000 represents the fair value of the portion of the easement to be quitclaimed to the respective property owners. The Water Department reports that the $5,000 was deposited to its sale of land account. Funds in this account are used to support the Water Department's operating costs.

Comment: As noted above, in addition to authorizing the City officials to execute the two quitclaim deeds, the proposed ordinance would also authorize related actions necessary to the processing of the quitclaim deeds and would ratify actions previously taken in connection with the proposed ordinance. Mr. Ritter advises that actions taken thus far by the Real Estate Department in connection with the proposed ordinance include the drafting of the proposed ordinance and the drafting of the quitclaim deed documents. Mr. Ritter states that payment for this work is included in the Water Department's work order budget to the Real Estate Department. Additionally, as noted above, the Water Department has received and deposited the $5,000 paid by the property owners for the two quitclaim deeds.

Recommendation: Approve the proposed ordinance.

Item 11 - File 170-93-14

Department: San Francisco Unified School District

Item: Resolution determining and declaring that public interest and necessity demand the acquisition, construction or reconstruction of improvements for the San Francisco Unified School District, including facility upgrades, construction of new improvements, renovation of certain improvements to comply with the American Disabilities Act, removal and abatement of certain hazardous materials and acquisition of related equipment, and that the estimated cost of $95,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness.

Amount: $95 million

Description: The proposed bond measure, to be placed on the June, 1994 ballot, in the amount of $95 million would provide funds for construction and improvement to 114 elementary, middle and high school sites throughout the San Francisco Unified School District. A total of 835 different projects have been identified for these 114 school sites. The proposed $95 million bond measure would be used to fund improvements over a period of five years, with an average annual expenditure of $19 million per year.

Based on a recent study, the School District identified a current unfunded facility need of approximately $330 million. According to the School District, the proposed $95 million bond measure would focus on the most critical repairs and upgrades, including meeting the requirements of the Americans with Disabilities Act (ADA) and the removal of lead paint and asbestos. The specific categories of the 835 projects for the $95 million are identified in the attachment.

Comments: 1. The City and County of San Francisco does not have a separate procedure for the issuance of General Obligation bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires that a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City

Attorney's Office will prepare an ordinance to submit the proposed $95 million bond issue to the voters.

2. The Controller's Office anticipates that, based on the assessment rolls of July 1, 1993, the sale of the proposed bonds would result in an impact on the tax rate of approximately $.0148 per $100 of assessed value. At this rate, the owner of a house assessed at $257,000 would pay $37 in additional property taxes in 1994-95. The bonds would be repaid over a 20- year period.

3. The Capital Improvements Advisory Committee (CIAC) expressed concerns that the proposed $95 million school bond measure is intended for primarily deferred maintenance work. The CIAC therefore made the following three recommendations:

(1) The bond measure should be reduced by $35 million from $95 million to $60 million and these funds should be directed to a three year, rather than a five year program, to address the most critical deficiencies in the schools.

(2) The School District should increase its operating funds to place a greater emphasis on annual maintenance in order to avoid similar future facility problems requiring bond issues. The School District currently expends approximately $8 to $9 million annually on maintenance of facilities.

(3) The CIAC acknowledges the need to improve the School District's facilities and encourages the School District to look at using any future bond funds for the construction of new facilities rather than renovating existing facilities which have reached the end of their useful lives.

4. According to Mr. Robert Golton of the San Francisco Unified School District, the School District Board has not yet taken a formal position on the proposed bond measure. The School District Board will be meeting on January 11, 1994 to discuss this matter. According to the schedule for submitting bond measures to the voters, January 12, 1994 is the last day that bond measures for the June, 1994 election can be considered by the Budget Committee of the Board of Supervisors. Mr. Golton states that representatives from the School District will attend the January 12, 1994 Budget Committee meeting to report on the outcome of the School District Board meeting on

January 11, 1994 and to respond to any questions from Committee members.

5. The proposed $95 million General Obligation bond for the School District would reduce the City's existing debt limit, varying by the amount of debt issued each year. Ms. Laura Wagner-Lockwood of the Chief Administrative Officer's (CAO) Office reports that representatives from the CAO's Office will attend the January 12, 1994 Budget Committee meeting to discuss the City's current debt capacity and the list of outstanding capital projects which will have to compete against this debt limit.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

SCHOOL DISTRICT BOND PROPOSAL RECAP

Project Category	# Projects	Cost	Average
Abatement-Lead/Asbestos	114	9,499,999	83,333
Admin/Counseling Offices	14	3,593,302	256,664
Computer Lab Install	18	1,197,059	66,503
Door Rehabilitation-Exterior	44	1,462,351	33,235
Door Rehabilitation-Interior	7	788,217	112,602
Electrical Lighting/Power	56	7,643,688	136,494
Flooring Upgrade	21	4,473,627	213,030
Handicap Access (ADA)	114	9,499,999	83,333
Heating/Ventilation Upgrade	20	6,282,805	314,140
Kitchen Upgrade	38	2,203,813	57,995
Library Expansion	9	702,152	78,017
Portable Installation	5	973,827	194,765
Painting-Exterior	39	4,730,851	121,304
Painting-Interior	12	1,631,050	135,921
Renovation	21	3,092,208	147,248
Roof Replacement	34	5,412,639	159,201
Science Lab Upgrades	7	1,301,051	185,864
Shop Upgrade/Conversion	3	589,963	196,654
Site Improvement-Fence	35	948,800	27,109
Site Improvement-General	41	684,269	16,689
Site Improvement-Sidewalk	16	213,987	13,374
Site Improvement-Yard Resurfacing	38	5,473,338	144,035
Stage Improvements	9	435,491	48,388
Toilet Rehabilitation	51	7,298,603	143,110
Plumbing Upgrade	42	4,539,683	108,088
Window Sash Replacement	27	10,327,014	382,482
TOTAL	835	94,999,984	

Physical Condition	# Projects	Costs	
Critical Schools	279	42,262,144	151,477
Below Average Schools	245	31,680,393	129,308
Average Schools	184	14,211,499	77,236
Above Average Schools	127	6,845,963	53,905
TOTAL	835	94,999,999	

Construction Year	# Schools	Costs	
1994-95	13	18,931,956	1,456,304
1995-96	10	20,680,037	2,068,004
1996-97	14	19,527,345	1,394,810
1997-98	30	19,167,449	638,915
1998-99	47	16,693,212	355,175
TOTAL	114	94,999,999	833,333

AMOUNTS DO NOT TOTAL TO $95 MILLION DUE TO ROUNDING

Memo to Budget Committee
January 12, 1994

Items 12 and 13 - Files 65-94-1 and 65-94-2

Department: Recreation and Park Department

Item: Ordinances amending Candlestick Park leases between the City and County of San Francisco and the San Francisco Giants (File 65-94-1) and between the City and County of San Francisco and the San Francisco Forty Niners.

Description:

1. The Recreation and Park Commission has approved the most recent phase of the Candlestick Park Renovation project. Construction bids were received during the week of January 3, 1994. The work to be performed includes improved access for compliance with the Americans With Disabilities Act (ADA) . Also, the stadium's seating capacity would increase by 1,600 to 70,100 (from the present capacity of 68,500) for football. The increase in football seating capacity to 70,100 will make Candlestick Park eligible to apply for the Super Bowl in San Francisco. "Field level boxes" and additional right-center field bleachers would be built for baseball, resulting in an addition of 710 seats to increase baseball seating capacity from 67,084 to 67,794.

2. The total cost of this phase of the renovation of Candlestick Park, based on actual construction bids received, is approximately $5,036,000. Because available Candlestick renovation funding for the current fiscal year is deficient by $2.2 million, as described below, the Recreation and Park Department proposes to amend existing Candlestick Park leases between the City and the Forty Niners and the City and the Giants so that the two teams will pre-pay 1994-95 stadium rent. By advancing future revenues to the current, 1993-94 fiscal year, the renovation work can be performed as one project instead of being divided over two fiscal years. Both the Giants and Forty Niners will advance up to $1.1 million each, if necessary, from future revenues under the proposed lease amendments to permit the renovation program to be undertaken in 1993-94 as a single project instead of over a two fiscal year period (1993-94 and 1994-95).

3. The low bid for the construction contract was a joint venture submitted by Nibbi-Tom Construction. As of the writing of this report, the Human Rights Commission is in the process of analyzing the levels of MBE/WBE participation for the construction contract.

4. The renovation project description, cost and available funding are detailed in the table below.

Base Bid Work:		$2,002,125
Install New Elevator, Upper Level Concourse Extensions - widening for egress requirements, New "C" Gate Stair Tower, "F" Plaza Stair Extension for required egress;Upper Level Seat Additions, Upper Level Accessible Seat Additions		
Alternate Bid Work:		
First Level Ramp Modification for access.	$40,241	
Main Level Toilet Room Renovations for accessibility.	327,767	
Upper Level Toilet Renovations for accessibility.	285,352	
Main Level Accessible Seating Addition.	24,580	
Move, enlarge and lower Dugouts; add Field Level Seating.	767,823	
Accessible Ticket Booth Modifications.	27,181	
Centerfield Bleachers - add accessible seating.	91,382	
Sub-total - Alternate Bid Work		1,564,326
Construction Contract		$3,566,451
Other - Non Construction Contract Items		
Add Cross Aisle for access	$150,000	
Contingency	356,000	
Construction Management	125,000	
Bureau of Architecture Fees	100,000	
Design	165,000	
Completion of seating reconfiguration.	76,000	
Sub-total Other		$972,000
Total Renovation Project		$4,538,451

Sources of Funds		
Candlestick Fund - Phase 8-B Renovation - Unexpended Balance of $2.2 million 1993-94 Candlestick Fund Capital Project Appropriation.	$1,838,500	
Candlestick Fund - Giants' and Forty Niners' Rent Advance.	2,200,000	
General Fund - ADA - Disability Access Funds - prior years' appropriations administered by Chief Administrative Officer.	500,000	
Total Sources of Funds		$4,538,500

Comment: In addition to the renovation project detailed above, the Department has spent approximately $497,500 in ADA capital appropriations administered by the Chief Administrative Officer for seating acquisition and purchase of the new elevator. This results in a total renovation project cost of $5,036,000.

Recommendation: While the Budget Analyst considers approval of the proposed ordinances to be policy matters for the Board of Supervisors, the combining of this renovation work into a single project, instead of funding the work over two fiscal years, appears to be a more cost-effective approach to financing the renovation.

Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR... ACTION TAKEN

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BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 19, 1994 - 10:00 A.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 121-92-11. [Protection of Public Health and Safety in Taxicab Services] Ordinance amending Chapter VIII, Part II of the San Francisco Municipal Code (Police Code) by adding Sections 1147 through 1147.6 requiring training for taxicab drivers, installation of safety equipment in taxicabs, and compliance with California Workers' compensation statutes and regulations. (Supervisors Shelley, Alioto, Hallinan, Migden, Bierman)
   FISCAL IMPACT (Continued from 12/22/93)

   ACTION: Hearing held. Amended on page 2, line 3 after the word "such" insert the word "educational"; on line 4 replace "recommended" with "required" and delete the phrase "but the Chief of Police shall have discretion to set a higher or lower requirement".
   On page 3, line 10 replace "owner/operator taxicabs" with the phrase "taxicabs that are solely operated by the permit holder."
   Same title. RECOMMENDED AS AMENDED

2. File 100-93-1.3. [Release Reserved Funds for Crime Education] Requesting release of reserved funds, Police Department, Senior Escort Program, in the amount of $300,000 for crime education. (Police Department)
   (Continued from 1/5/94)

   ACTION: Hearing held. Release of reserved funds in the amount of $300,000 approved. FILE.

3. File 173-93-1. [Marina Seawall] Hearing to consider funding the structural repair of the Marina Seawall. (Supervisors Hsieh, Alioto, Conroy, Bierman)

   ACTION: Hearing held. Consideration continued to call of the chair.

4. File 270-93-6. [Earthquake Emergency Relief Fund Expenditure] Resolution approving expenditure of $219,452 from the Mayor's Earthquake Emergency Relief Fund to modernize certain equipment assigned to the Office of Emergency Services (OES), and to equip the Emergency Command Center (ECC) of the City and County of San Francisco, placing $35,000 on reserve. (Supervisor Alioto) (Continued from 1/5/94)

   ACTION: Hearing held. RECOMMENDED.

5. File 170-93-15. [General Purpose Sewer Revenue Bonds, Series 1994] Resolution providing for the issuance of not to exceed $190,000,000 aggregate principal amount of City and County of San Francisco Sewer Revenue Refunding Bonds, Series 1994; authorizing execution of sales certificate; and appointing escrow agent. (Companion measure to File 170-93-15.1). (Chief Administrative Officer)

   ACTION: Hearing held. RECOMMENDED. (Supervisors Alioto and Bierman added as sponsors)

6. File 170-93-15.1. [General Purpose Sewer Revenue Bonds, Series 1994] Resolution authorizing and directing the sale of not to exceed $190,000,000 aggregate principal amount of City and County of San Francisco Sewer Refunding Revenue Bonds, Series 1994; authorizing the publication of official notice of sale relating thereto; approving the form of the official statement; approving the form of the forward purchase agreement; consenting to submission of bid by financial advisor; and authorizing official action. (Chief Administrative Officer)

   ACTION: Hearing held. RECOMMENDED. (Supervisors Alioto and Bierman added as sponsors)

7. File 101-93-60. [Appropriation, Airports Commission] Ordinance appropriating $17,999,781, Airports Commission, for various capital improvement projects for Fiscal Year 1993-94; funded from interest income on various capital project funds and bond reserves. RO #93182 (Controller)

   ACTION: Hearing held. RECOMMENDED. (Supervisor Alioto added as sponsor)

8. File 97-93-51. [Assessment Appeals Boards] Ordinance amending 2B Administrative Code Section 2B.3 and adding Sections 2B.11 through 2B.16 to create two additional Assessment Appeals Boards and to provide for the appointment of Assessment Hearing Officers. (Supervisor Kaufman)

   ACTION: TABLED.

9. File 97-93-51.1. [Assessment Appeals Board] Ordinance amending Administrative Code by adding Section 2B.1.2 to incorporate by reference applicable provisions of the California Constitution and State statute, amend Section 2B.3 to make technical changes, amend Section 2B.5 to increase the compensation of Board members to $200 per day, add Sections 2B.9 and 2B.10 to require payment of a fee for filing and hearing applications for refund with the Assessment Appeals Board, adding Section 2B.11 to increase the fee for written findings of act and conclusions, and adding Sections 2B.12 through 2B.18 to create two additional Assessment Appeals Boards and provide for the appointment of Assessment Hearing Officers. (Supervisor Kaufman)

   ACTION: Consideration continued to call of the chair.

CitiReport

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 14, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: January 19, 1994 Budget Committee Meeting

Item 1 - File 121-92-11

Note: This item was continued from the Budget Committee meeting on December 22, 1993.

1. The proposed ordinance, would amend Chapter VIII, Part II of the Police Code by adding new Sections 1147 through 1147.6, which would require (1) training for taxicab drivers, (2) installation of safety equipment in taxicabs, and (3) compliance with California Workers' Compensation statutes and regulations. The proposed ordinance represents an Amendment of the Whole to the original legislation, which was approved at the Health, Public Safety and Environment Committee meeting on November 23, 1993.

2. Under the proposed ordinance, Section 1147 states that the purpose of the Sections 1147 through 1147.6 is to require that all persons, firms or corporations holding taxicab permits, and all persons applying for driver's permits, take steps to improve taxicab services to the public and to protect the public health and safety when providing such services.

3. Section 1147.1 would provide that all new applicants for permits to drive taxicabs shall certify that they have successfully completed a driver training course. Such training course must include instruction on crime prevention, vehicle safety, the geography of the City and County of San Francisco, taxicab rules and regulations, the California Motor Vehicle Code, pedestrian safety and any other subject that the Chief of Police may determine to be relevant to the health and safety of the public in relation to the operation of taxicabs. The recommended course length is 16 hours of classes, but the Chief of Police shall have the discretion to set a

higher or lower requirement. The training course may be offered by the San Francisco Police Department, the San Francisco City College District or any other such entity that is approved by the Chief of Police. Within 60 days of the effective date of this ordinance, the Chief of Police shall adopt regulations setting forth the required course length and content.

4. Section 1147.2 would provide that within 180 days of the effective date of this ordinance all vehicles newly placed into service as a taxicab must (1) be equipped with automatic door locks that can be controlled by the driver, and (2) allow for direct access to the taxicab dispatch service in an emergency. Additionally, within 180 days of the effective date of this ordinance, all taxicab color scheme permit holders, except for owner/operator taxicabs, shall ensure that a minimum of 50 percent of the taxicabs are equipped with a retractable safety partition that is controlled by the driver and forms a complete barrier between the front and rear seats. Taxicab color scheme permit holders in taxicab companies, of which there are 32 in the City, have a specific color scheme for their cabs (i.e., Yellow Cab Company). Also under this Section, the Chief of Police shall have (1) the authority as he or she deems necessary to set forth standards for safety partitions, standards and procedures for taxicab drivers and dispatchers to follow in an emergency, standards for automatic door locks, and (2) the authority to issue any other regulations conserving taxicab equipment or operation that he or she determines will promote the prevention of taxicab crime and the protection of the public.

5. Section 1147.3 would provide that the Chief of Police shall hold an annual hearing to review (1) the taxicab permit holders' compliance with this proposed legislation, (2) the effectiveness of safety equipment and safety measures currently in effect, and (3) the need for further measures to reduce taxicab crime and to protect the public safety. At the conclusion of this hearing, the hearing officer shall make a written report to the Police Commission. Based on the findings of this report, the Chief of Police shall determine whether or not further regulations are needed to implement this proposed legislation. Additionally, the Chief of Police shall direct the appropriate Police Department personnel to compile and maintain statistics on taxicab crimes, to be submitted to the Police Commission and the Chief of Police in conjunction with the annual hearings mandated by this Section.

6. Section 1147.4 would stipulate that all persons, firms or corporations holding taxicab color scheme permits must comply with all State statutes concerning Worker's Compensation. Additionally, taxicab color scheme permit holders must include a sworn statement attesting to compliance with such statutes, as part of the annual permit filing process.

7. Section 1147.5 states that by adopting this ordinance the City is only promoting the general welfare and is not assuming or imposing on the City's officers or employees an obligation, which if breached, would cause the City to be liable in money damages to any person who claimed such breach caused injury.

8. Section 1147.6 would provide that every person, firm or corporation holding a taxicab permit who violates any of the provisions of this proposed legislation shall

be subject to disciplinary action pursuant to Section 1090 of the Police Code. Under Section 1090, violations are punishable by revocation or suspension of a permit.

Comments

1. Officer Farrell Suslow of the Police Department reports that the Police Department is currently providing a once a week training course for approximately 20 to 25 taxicab drivers. Officer Suslow advises that the 3 1/2 to 4 hour course covers the following subject matter: (1) crime prevention, (2) vehicular safety, (3) taxicab rules and regulations and (4) the California Motor Vehicle Code. Officer Suslow states that the Department is proposing to expand the course to include passenger relations (i.e., awareness of passenger needs and concerns, particularly with respect to handicapped persons) and Airport rules and regulations as they pertain to taxicabs. Based on the inclusion of this additional subject matter, the course is expected to require approximately 6 hours to complete. According to Officer Suslow, the Department believes that the proposed expanded course will be sufficient to meet the training needs of the taxicab drivers. Officer Suslow advises that the cost for the Department's current training course is covered by the application fee paid by the taxicab drivers and therefore the City is fully reimbursed for its costs regarding the training course. According to Officer Suslow, any additional cost incurred as result of expanding the training course to a 6 hour course would be paid for by increasing the application fee paid by the taxicab drivers and would not involve any increased costs to the City.

3. According to Officer Suslow, the Police Department would potentially incur an estimated maximum of $6,500 in costs annually in connection with (1) the compilation and maintenance of statistics on taxicab crime and (2) the proposed annual hearing to determine taxicab company compliance with the proposed legislation, the effectiveness of the safety equipment and the need for further measures to reduce taxicab crime. Additionally, Officer Suslow advises that the Police Department believes that the provision under Section 1147.4 of the proposed ordinance which provides that taxicab color scheme permit holders must include a sworn statement attesting to their compliance with Workers' Compensation statutes and regulations as part of the annual filing with the Police Department, could result in an undetermined fiscal impact on the Department. According to Officer Suslow, in the opinion of the Police Department, the fact that the Police Department would be responsible for collecting the sworn statements, places the Department in the position of potentially having to perform an investigation should a dispute arise regarding whether or not a given taxicab color scheme permit holder is in fact in compliance with Workers' Compensation statutes and regulations.

5. Officer Suslow reports that depending on the level of ballistic quality, the installation of a safety partition in each cab could cost taxicab companies from $450 to $2,000 per vehicle. Mr. Nathan Dwiri, Manager of the Yellow Cab Company, estimates that it will cost approximately $1,000 to install a safety partition in each cab. Officer Suslow estimated that automatic door locks would cost taxicab companies from $100 to $125 for installation per cab. Officer Suslow noted that late model automobiles have automatic locks already installed. Mr. Dwiri indicated that

approximately one-third of his company's fleet of cabs will have automatic door locks by the end of 1993.

6. Captain James Molinari of the Police Department advises that fact finding hearings on the proposed legislation were held before the Police Commission on May 25, 1993 and June 1, 1993. Based on the findings of fact from these hearings, an Amendment to the Whole on the original proposed legislation was drafted by the Police Department. This amended legislation was adopted by the Police Commission on September 15, 1993. The Police Department's Amendment of the Whole differs from the above noted amended proposed ordinance, as follows:

(1).Section 1147.1 would provide that all new applicants for permits to drive taxicabs shall complete a driver training course, which shall consist of classes on the following subjects: crime prevention, vehicular safety, passenger relations, taxicab rules and regulations, the California Motor Vehicle Code, and any other subject the Chief of Police may determine is relevant to the public health and safety (no specific length of time is recommended for this course) . The course may be offered by the Police Department or any other entity the Chief of Police may approve. Within 120 days (as opposed to the 60 days specified in the proposed legislation) of the effective date of this ordinance, the Chief of Police shall adopt regulations setting forth the required course length and content.

(2). Section 1147.2 would provide that within 60 days of the effective date of this ordinance, all new vehicles placed into service as a taxicab must be equipped with automatic door locks (as opposed to the 180 days specified in the proposed legislation). Additionally, within 120 days of the effective date of this ordinance (as opposed to the 180 days specified in the proposed legislation), all taxicab color scheme companies, whereby ten or more taxicabs are permitted to operate, shall insure that a minimum of 25 percent of such permitted taxicabs are equipped with retractable safety partitions. The proposed legislation provides that, except for owner/operator taxicabs, all taxicab color scheme companies shall ensure that a minimum of 50 percent of their taxicabs are equipped with retractable safety partitions Also, the proposed legislation additionally provides that a retractable safety partition shall be made available by the taxicab company of any driver who requests one in his or her taxicab, and no retaliation or discriminatory action shall be taken against any driver who requests a retractable safety partition.

Recommendation

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Item 2 - File 100-93-1.3

Note: This item was continued by the Budget Committee at its meeting of January 5, 1994.

Department: Police Department

Item: Request to release reserved funds for crime education for the Senior Escort Program.

Amount: $300,000

Source of Funds: General Fund

Description: During the 1993-94 budget deliberations, $300,000 of the Police Department's budget was placed on reserve. These funds were budgeted for Professional Services to provide crime prevention and education services for seniors due to the proposed elimination of the Police Department's Senior Escort Program and the transfer of funds to the Commission on Aging. However, the Board of Supervisors has not approved the elimination of the Police Department's Senior Escort Program. As a result, the Police Department has continued to operate the Senior Escort Program and is now requesting the release of this $300,000 to be used to fund the continued operation of the Senior Escort Program.

Comments:

1. In October, 1993, the Senior Escort Program laid off 25 of the remaining 42 employees, in order to bring the Programs' costs in line with the budgeted FY 1993-94 funds. The Senior Escort Program currently includes a staff of 17. However, six of the 25 laid off employees should not have been laid off because it has been determined that these six employees have more seniority than six of the remaining employees. Therefore, as of January 19, 1994, the Police Department plans to rehire those six employees and lay off six employees with lesser seniority. The six employees with the greater seniority that were laid off and will be rehired may receive back pay retroactive to November 1, 1993. The six employees that will be laid off in January, 1994 will not have to pay back any prior pay received.

2. According to the Police Department, accumulated sick and vacation pay has been factored into the costs of the 25 employees that were laid off. However, additional severance costs, as provided in the recently approved labor contract, have not been factored into the costs for these employees. As of the writing of this report representatives of the Police Department could not provide the amount of the severance

costs for these employees. Mr. Jonathan Holtzman of the City Attorney's Office reports that the City is currently in litigation concerning this labor contract. Mr. Holtzman anticipates a Spring, 1994 trial court disposition of this case. If the City wins this case, such severance costs would not be required. However, if the City loses this case, Mr. Holtzman reports that the City would be subject to a back pay claim for these severance costs.

3. In response to a memorandum from the Board of Supervisors on issues regarding the Senior Escort Program, Ms. Theresa Lee of the Mayor's Office indicates that the Mayor's Office will be providing a formal response to these concerns on January 18, 1994.

4. Based on the prior costs incurred and the current expenditure patterns, including the estimated $61,224 to back pay the six employees who were mistakenly laid off, the Budget Analyst projects that the Department will expend a total of $1,348,180 for Fiscal Year 1993-94, as follows:

Personnel Costs (Salaries and Fringe Benefits)		
Actual Costs, 7/1/93 – 12/31/93	$700,326	
Projected Costs (17 employees), 1/1/94 – 6/30/94	462,864	
Estimated Back Pay (6 rehired employees), 11/1/93 – 1/19/94	61,224	
Total Personnel		$1,224,414
Operating Costs		
Actual 7/1/93 – 11/19/93	$26,044	
Projected 11/20/93 – 6/30/94	97,722	
Total Operating Costs		123,766
Total Actual and Projected Costs FY 1993-94		$1,348,180

5. Sergeant George Walsh of the Police Department advises that although the staff of the Senior Escort Program in the Police Department has been reduced to 17, the Police Department has been unable to reduce most of their $123,766 of operating costs. According to Sergeant Walsh, the Senior Escort Program currently rents three separate sites in the City.

For example, one lease of property at 1101 Capp Street at approximately $1,600 per month ($19,200 annually) is locked into a five-year lease that still has approximately two years remaining. Sergeant Walsh indicates that the Senior Escort Program is using only a portion of the space at this leased property but must continue to pay full rent until the lease expires. Based on discussions with the Budget Analyst's Office, the Police Department is working with the Real Estate Department in order to consider using the surplus space at this leased property for other City Department space needs until the lease expires.

A second property, located at 948 Pacific Avenue, for which the Senior Escort Program pays $1,040 per month ($12,480 annually) also includes more space than the reduced Senior Escort Program requires. However, alternative space at a lower monthly rent has not yet been located by the Real Estate Department in the same area. Therefore, the Senior Escort Program must continue to pay the full $1,040 per month even though not all of the space is being used. Ms. Clauding Venegas of the Real Estate Department reports that this lease has been continued on a month-to-month basis until the end of this fiscal year.

Ms. Venegas reports that the third lease, at 1400 Phelps will be terminated in early February, 1994 at a savings of $306 monthly lease costs. This should result in a fiscal year 1993-94 savings of approximately $1,800.

6. Furthermore, the associated operating costs with these three rentals, such as utilities, building maintenance and repairs and maintenance of copy machines and office equipment in each of these sites should be reduced in conjunction with such reduced space needs.

7. In addition, the Budget Analyst notes that the Department has budgeted approximately $51,000 for vehicle maintenance, gasoline and repairs for the balance of the fiscal year. Based on discussions with Ms. Rochelle Frazier of the Senior Escort Program, there are only five vans, of which three are currently operating. Based on estimates of the amount spent during the first quarter of the year for all seven of Senior Escort's vans, a total of approximately $45,000 would be needed for the entire fiscal year. The Budget Analyst believes these operating expenses should be carefully reexamined by the Department and additional reductions made, such that savings would occur.

8. The Police Department has the following funds available for the Senior Escort Program for FY 1993-94:

Budgeted Funds for July, 1993	$157,545
Senior Escort Budgeted Funds	800,000
Senior Escort Administration Funds	80,000
Board Created Reserve	29,000
Subtotal Available Funds	$1,066,545
Requested Release of Reserve	$ 300,000
Total Available Funds	$1,366,545

The Budget Analyst notes that the supplemental appropriation for the $29,000 Board Created Reserve has not yet been submitted by the Police Department.

9. The Budget Analyst notes that there is currently legislation pending before the Board of Supervisors to reinstate the Senior Escort Program to its previous service and funding levels. If this proposed legislation is approved, the requested $300,000 release of reserve funds would be needed. Therefore, the Budget Analyst believes that the proposed requested release of reserve is a policy matter for the Board of Supervisors.

Recommendation: The requested release of $300,000 is a policy matter for the Board of Supervisors.

Memo Budget Committee
January 19, 1994

Item 3 File 173-93-1

Note: This item was continued by the Budget Committee at its meeting of November 10, 1993.

1. The proposed item is a hearing to consider funding the structural repair of the Marina Seawall.

2. The Marina Seawall is a man-made seawall which stretches along the City's waterfront from approximately Scott Street to approximately Buchanan Street. The Recreation and Park Department has jurisdiction over this entire seawall. The seawall forms the Marina harbor and serves as a retaining wall along Marina Boulevard. The Department of Public Works (DPW) is currently in the process of working on a project to retrofit a section of this seawall between Scott and Baker Streets along the Marina Boulevard. This retrofit project, which is one of two projects which are currently being performed by DPW in connection with the seawall, is the subject of this hearing. According to Mr. Ronald Cheng, the DPW is implementing recommendations of the "Final Report - Marina District Liquefaction Study Task Force" in regard to this retrofit project. This report, which was prepared by a task force of private consultants and City officials, recommended that this area of the seawall be strengthened, in part, to protect a sewer box along the Marina Boulevard, which is in close proximity to a populated residential area. Mr. Cheng advises that during the 1989 earthquake, the section of the seawall between Scott and Baker Streets sustained cracks to its outer surface which required repair.

3. Attached is a memo from Mr. John E. Cribbs, Director of the DPW, which discusses (1) an original cost estimate of $300,000 to $350,000 to strengthen the seawall, (2) a revised estimate of $1 million to $1.5 million to finance the retrofit project, (3) the DPW's attempts to identify financing sources for this project, (4) the $80,000 in Clean Water Sewer Service Charge funds allocated thus far by the DPW to pay for soils testing and design work in connection with this project, and (5) the desire for guidance from the Board of Supervisors regarding the funding for this project (see Attachment I). Also attached is a second memo from Mr. Cribbs, which addresses the status of the Department's efforts to provide additional information requested by the Budget Committee on the availability of State and Federal grant funds to pay for the Marina Seawall project and how the $2,271,800 earmarked in bond funds for the Marina Green repairs was allocated and/or spent (see Attachment II).

4. Mr. John Sucich of the Chief Administrative Officer's Office now advises that approximately $700,000 in Federal Emergency Management Agency (FEMA) funds have been applied for in connection with the Marina Seawall project. According to Mr. Sucich, the FEMA funds would require a 100 percent local match. Mr. Sucich states that the DPW has tentatively identified funds for approximately $300,000 of the required match and the Mayor's Office has committed to using funds from the City's Capital Improvement Program to pay for the balance of $400,000 needed to cover the total match.

Comment

As noted above, in addition to the retrofit project involving the section of the seawall between Scott and Baker Streets, there is a second project being performed by DPW on a section of the seawall known as the West Wing of the seawall, which is aligned with Baker Street, north of Marina Boulevard. This project is to repair damage sustained by this section of the seawall as a result of the 1989 earthquake. Mr. Tim Liliquist of the RPD reports that $361,205 in Federal Emergency Management Administration (FEMA) funds have been allocated to the City to pay for this repair work. Mr. John Thomas, Landscape Architect of the DPW advises that this project, which involves repairing cracks and restructuring this section of the seawall, is in the preliminary design stage and is anticipated to be completed by December of 1995.

Department of Public Works

Office of The Director
John E. Crabb
Director

August 11, 1993

Marina Boulevard Seawall

THROUGH: Mr. Rudolf Nothenberg
Chief Administrative Officer

Supervisor Carole Migden
Member, Board of Supervisors
Room 235, City Hall

Dear Supervisor Migden:

As we discussed by telephone, the Department of Public Works has been looking at the Marina Seawall to determine what must be done, the cheapest way to do it, and where the funds can be obtained to pay for it.

In the "Conclusions and Recommendations" of the "Final Report - Marina District Liquefaction Study Task Force" the following was stated:

> "This seawall should be strengthened by driving new piles on the landward side combined with a new concrete pile cap/buttress. The cost is estimated to be between $300,000 and $350,000. Design should start immediately by Department of Public Works staff. Funding would either be by a Boating and Waterways grant or by reconstruction and replacement funds of the Clean Water Program."

We first applied to the State Boating and Waterways Committee for a grant using the nexus that if the seawall moves toward the bay a lot of the docking facilities would be destroyed. We were unsuccessful in obtaining any funds from this source. We then allocated $80,000 from our Clean Water Sewer Service Charge funds to hire a soils consultant and to do predesign for stabilizing the wall. We used the justification for these funds that if the seawall were to fail, the box sewer along Marina Boulevard would be endangered. We felt we could also justify the relatively modest $350,000 estimated full cost using the same Sewer Service Charge funds.

Now that we have gotten into predesign, we find that the Task Force estimate may be very low and that the actual cost may be as high as $1.5 million. We need more soils data to tie this figure down and more study on drainage problems in this area to better estimate this project.

We are also checking to see what outside agencies have jurisdiction over this work. So far, we have determined that BCDC and Army Corps of Engineers both require permits and that the GGNRA requires approval. If the project does turn out to cost between $1 million and $1.5 million, we could not justify taking this

amount from the ratepayers of the Clean Water Enterprise (Sewer Service Charge) fund and would need guidance from the Board of Supervisors to fund this work.

If you have any questions, please give me a call.

Respectfully,

John E. Cribbs
Director of Public Works

cc: John L. Taylor
Todd Cockburn
Jackson Wong
Peg Devine
Kathy How

Department of Public Works

Office of The Director
John E. Cribbs
Director

September 29, 1993

Marina Seawall; Your File No. 173-93-1

THROUGH: Mr. Rudolf Nothenberg
Chief Administrative Officer

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To	From
Sandy Brown-Richardson	Todd Cribbs
Co.	Co.
Dept. Budget Analyst	Phone # 554-8224
Fax # 252-0461	Fax # 554-8303

Supervisor Carole Migden
Chair of the Budget Committee
Board of Supervisors
Room 235, City Hall
San Francisco, CA 94102

Dear Supervisor Migden:

At the Budget hearing on September 8, 1993, a hearing was held on the subject seawall. We were requested to do several things prior to rehearing this issue at your October 6th meeting. The first request was to meet with the City Attorney's Office and others to determine if there are available State or Federal grants to do the necessary work on this seawall to make sure that it is structurally sound in case of a future earthquake. We have been unable to determine, as of this date, whether or not there is any Federal or State funding that would be available to us to do this work.

The second request was to give you a report on what the $2,271,800 allocated in the ESP2 Bond Issue for Marina Green repairs was spent or allocated for. Attached is a chart showing the five projects that were either damaged by the Loma Prieta earthquake or, because of damage, were required by ADA to perform.

As you can see from this chart, some of the projects are completed and some are still in the process. On some projects, we have received all or a large portion of a refund from FEMA. On others, we have very little or no funding approval from FEMA.

We will attend the October 6th hearing and will be pleased to answer any questions at that time.

Respectfully,

John E. Cribbs
Director of Public Works

Attachment: As Noted.

cc: John L. Taylor

MARINA GREEN EARTHQUAKE REPAIR PROJECTS

Job Name and Number	Estimated Budget	Funding in ESP2 Bond	Funding FEMA	Additional ESP2 Funding	Project Status
Marina Pavement Renovation 2279Q	1,776,089	1,245,786	530,303	0	Various paved areas at the Marina were damaged during the earthquake. The work included removing & replacing sidewalks, concrete curbs & gutters, asphalt paving, replacing the drainage system & providing curb ramps for disabled access - completed September 1992. Currently negotiating with FEMA for reimbursement of actual costs. All work associated with the drainage system is not eligible for FEMA reimbursement.
Marina Seawall Repair Phase 1 & 2 6092Q	728,281	342,188	386,093	0	(Phase 1) The scope of this project is to repair minor damage to all seawalls, except the west end seawall and the Marina Boulevard seawall. The project was completed January 1993. (Phase 2) The west end seawall adjacent to the volleyball green requires major reconstruction and is currently in preliminary design. This wall has been designated a historic structure by FEMA and must undergo historic preservation review prior to final design. We are currently awaiting FEMA approval before proceeding with design. We will be requesting supplemental funding from FEMA. Estimated construction completion: Summer 1995
Marina Pilings and Dock Repair 6085Q	305,140	0	305,140	0	The piles for mooring boats & yachts were damaged and thrown out of alignment by the earthquake. The project was to replace damaged piles & repair docks. Construction was completed in Oct. 1992.
Marina Disabled Access Ramps 2129E	450,000	450,000	0	0	As part of ADA requirements, we are required to provide two access ramps to the boat docks to serve disabled access. This requirement is triggered by the pilings & dock repair. The preliminary design has been completed and is now awaiting comments from Recreation and Park Department. We have received approval for these ramps from FEMA and will be requesting funding for this project. Estimated construction completion: Spring 1995.
Marina West End Restrooms 2126Q	276,900	67,100	41,400	168,400	The west end restroom settled during the earthquake and will need pressure grouting under the foundation to return the building to the original elevation. Other modifications inside the restroom were requested by Recreation and Park Department and were incorporated into the repair package. We have requested supplemental funding from FEMA to repair the restroom. The project was advertised Sept. 8 and bids are due October 10. Estimated construction completion: Summer 1994.
(BOA) Project Management 5555A	90,000	18,174	0	0	--
Reserve from ESP2 Bond		148,552	0	0	Future FEMA funding will be returned to ESP2.
TOTALS	3,626,410	2,271,800	1,262,936	168,400	--

Item 4 - File 270-93-6

Note: This item was continued by the Budget Committee at its meeting of January 5, 1994.

Department: Mayor's Office of Emergency Services (OES)

Item: Resolution approving expenditure of $219,452 from the Mayor's Earthquake Emergency Relief Fund to obtain consultant services and to purchase additional equipment for the Mayor's Office of Emergency Services, Emergency Command Center.

Source of Funds: Mayor's Earthquake Emergency Relief Fund
(The balance in this Fund, as of December 13, 1993, is $303,000.)

Amount: $219,452

Description: The design and construction of the City's new Emergency Command Center (ECC), located at 1003A Turk Street, was financed with 1986 Fire Protection Bonds (Proposition A). The ECC, which became operational in August 1993, is used to coordinate emergency relief efforts in the event of an earthquake or other major emergencies. In the event of an emergency, the ECC will enhance coordination of emergency efforts by various City departments, including the Fire Department, the Department of Public of Health, the Police Department, the Department of Social Services, MUNI, the Sheriff, the Medical Examiner, the Recreation and Park Department, and the Department of Public Works. Additionally, the ECC will accommodate emergency personnel from the State Office of Emergency Services, Pacific Gas & Electric, Pac Bell, AT&T, the San Francisco Unified School District, Caltrans, the American Red Cross, the CHP, military liaison personnel and other appropriate agencies.

The 1986 Fire Protection Bonds, which were used for the design and construction of the ECC, cannot be used for the purchase of equipment. As such, the Mayor's Office of Emergency Services is proposing to use the Mayor's Earthquake Emergency Relief Fund to purchase additional equipment and consulting services aimed at enhancing the ECC's ability to conduct emergency recovery operations in the most efficient manner possible. The Board of Supervisors previously approved a request from the Mayor's Office of Emergency Services for the expenditure of $213,200 from the Mayor's Earthquake Emergency Relief Fund to purchase equipment for the ECC in order to make the ECC minimally

operational (File 270-92-3), and also approved an expenditure of $198,793 from the Mayor's Earthquake Relief Fund providing the ECC with a major telecommunications upgrade and an overhaul of the Emergency Command Van (File 270-93-3). According to Admiral John Bitoff, this proposed expenditure will provide a Geographic Information System (GIS), additional workstations and associated software, and consultant services to revise the ECC's Emergency Operations Plans.

The Mayor's Earthquake Emergency Relief Fund was established for purposes of receiving all private and public grants, gifts and bequests of money and property provided to the City for needed expenditures resulting from the October 17, 1989 Loma Prieta earthquake. Any monies expended from this Fund are subject to approval by the Board of Supervisors. As previously noted, the balance in this Fund, as of December 13, 1993, is $303,000.

The budget details for the proposed equipment and consultant services totaling $219,452 is as follows:

Geographic Information System (GIS) (see Comment #2)		
Computer Equipment (Workstation and peripheral equipment)	$85,575	
Computer Software	40,815	
Installation and Training	19,200	
Subtotal	145,590	
Less 10% discount	14,559	
Subtotal		$131,031
Software & Hardware (see Comment #3)		
Computer Equipment (3 Workstations and peripheral equipment)	$19,515	
Computer Software	19,016	
Mobile Communication System (for use by OES and Mayor's Alternate Staff Operations Site)	14,890	
Subtotal		$53,421
Personal Services Contract		
Planning consultant for the Emergency Operations Plan		35,000
Total		$219,452

Comments:

1. The Budget Committee, at its meeting of January 5, 1994, amended the original proposed resolution which requested an expenditure of $226,137, to reduce the amount of the request to $219,452, and also placed $35,000 on reserve for consultant services for the Emergency Operations Plan, pending the selection of the consultant, the consultant cost details and the MBE/WBE status of the consultant.

2. According to Admiral Bitoff, the OES Geographic Information System (GIS) is viewed as a major demonstration project of the Electronic Information Processing Subcommittee (EIPSC). Admiral Bitoff advises that GIS will display information, maps, forms, and imagery simultaneously on large assessment screens for the ECC, thus providing a real-time crisis management system incorporating all facets of disaster information collection, assessment, and dissemination so that decision-makers can have displayed all the critical issues necessary to act quickly and decisively.

3. Admiral Bitoff advises that OES has conducted a comprehensive evaluation of the software and hardware needs of the ECC, and that the three additional workstations and the associated software requested in the proposed budget are the final items needed to provide a fully operational ECC.

The item listed as "Mobile Communication System" (consisting of a computer, portable fax machine, portable printer, cellular and land line phones, power adapters, and battery packs) is for the Mayor's Alternative Operations Site (ASOS). According to Admiral Bitoff, in the event of a major emergency whereby City Hall is evacuated, the Mayor's staff will relocate to Moscone Center in order to provide basic governmental services (complementing the life and property-saving roles of the ECC). Admiral Bitoff advises that during a City-wide emergency preparedness exercise in April of 1993, the ASOS concept was tested with a deployment of the Mayor's staff to Moscone Center. This exercise highlighted a number of deficiencies in organization and communications, according to Admiral Bitoff. Admiral Bitoff advises that the "Mobile Communication System" is the most cost effective means to assure that the Mayor's staff remains operational during an emergency.

4. Ms. Teresa Serata of the Mayor's Office advises that OES's operation and maintenance costs for its computerized emergency management systems (estimated at $20,000 annually) will be requested as part of the Mayor's budget for FY 1994-95.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Items 5 and 6 - Files 170-93-15 and 170-93-15.1

Department: Chief Administrative Officer

Item: Resolution (File 170-93-15) providing for the issuance of City and County of San Francisco Sewer Revenue Refunding Bonds, Series 1994, in aggregate principal amount not to exceed $190,000,000; authorizing execution of Sales Certificate; and appointing an escrow agent.

Resolution (File 170-93-15.1) authorizing and directing the sale of City and County of San Francisco Sewer Revenue Refunding Bonds, Series 1994, (herein called the "Series 1994 Refunding Bonds") in an aggregate principal amount not to exceed $190,000,000; authorizing the publication of official notice of sale relating thereto; approving the form of the official statement; approving the form of the Forward Purchase Agreement[1]; consenting to submission of bid by financial advisor; and authorizing official action.

Amount: $190,000,000

Description: The Board of Supervisors adopted Resolution No. 605-91 on July 15, 1991, providing for the issuance of not to exceed $170,000,000 of City and County General Purpose Sewer Revenue Bonds. Pursuant to that authorization, the City issued and sold $170,000,000 of the Series 1991 Bonds for the purpose of acquiring, improving, and financing the municipal sewage treatment and disposal system of the City.

The Board of Supervisors adopted Resolution No. 656-92 on August 3, 1992, which supplemented, amended, and restated three previously approved bond series resolutions, including Resolution No. 605-91, cited above. Resolution No. 656-92 provides, generally, for the issuance of City and County General Purpose Sewer Revenue Refunding Bonds for the purpose of achieving debt service savings from a reduced interest rate payable on the bonds. Resolution No. 656-92 also provides that the process of issuing any refunding bond series, for those bond series covered by Resolution No. 656-92, is to be accomplished as a supplemental resolution to Resolution No. 656-92.

The proposed resolutions concern the issuance and sale of Series 1994 Refunding Bonds for the purpose of refunding a

[1]A Forward Purchase Agreement is a contract with a financial institution whereby the City agrees to purchase U.S. Treasury securities for an escrow fund at a stated price. In exchange for this consideration, the financial institution pays the City an up front payment of the interest earnings, which is deposited in the Clean Water Enterprise.

portion of the Series 1991 Sewer Revenue Bonds. Specifically, the proceeds from the sale of the proposed Series 1994 Refunding Bonds would be used for the payment of principal, payment of premium, and payment of interest on the outstanding Series 1991 Bonds, up to an amount not to exceed $190,000,000 in aggregate principal.

The principal and interest on the proposed Series 1994 Refunding Bonds are payable solely from the net revenues (revenues received through sewer service rate charges and interest earnings thereon, less operating costs) of the Clean Water Program. The General Fund of the City is not liable and the credit or taxing power of the City is not pledged for the payment of the proposed Series 1994 Refunding Bonds or their interest.

As stated in the proposed resolution (File 170-93-15), the Series 1994 Refunding Bonds may be issued without voter approval, pursuant to Section 7.300 of the Charter, since the sale of the Series 1994 Refunding Bonds will result in lower total scheduled principal and interest payments of the City.

Comments:

1. General provisions of the issuance and sale of the proposed Series 1994 Refunding Bonds are as follows:

- The Series 1994 Refunding Bonds would be sold at an interest rate which could not exceed 11 percent per year (see Comment No. 3), and would mature no later than October 1, 2022. Interest would be paid semiannually on October 1 and April 1 of each year.

- The redemption premiums on the Series 1994 Refunding Bonds shall not exceed three percent.

- The Series 1994 Refunding Bonds shall only be issued if the Average Annual Debt Service for the Series 1994 Refunding Bonds is less than the Average Annual Debt Service for the Series 1991 Bonds, and;

  The application of the proceeds of the Series 1994 Refunding Bonds to refund the Series 1991 Bonds would result in lower total scheduled principal and interest payments to the City.

- The bond sale would be awarded to the bidder whose bid represents the lowest interest cost to the City.

2. Under the proposed resolution (File 170-93-15), the annual interest rate for the bonds could not exceed 11 percent. Ms.

Laura Wagner-Lockwood of the CAO's Office reports that if the Series 1994 Refunding Bonds were sold at this time, the bonds would probably be sold at an overall interest rate of approximately 5.4 percent, which is 1.1 percentage points less than the overall interest rate of approximately 6.5 percent on the Series 1991 Bonds. Ms. Wagner-Lockwood notes that interest rates for municipal bonds are currently at their lowest levels since the 1970's.

3. Ms. Wagner-Lockwood reports that the Average Annual Debt Service for the Series 1994 Refunding Bonds is estimated to be $11.77 million compared to $11.998 million for the portion of the existing Series 1991 Bonds to be refunded. Thus, according to Ms. Wagner-Lockwood, savings of approximately $228,000 per year, or a total of approximately $6.384 million over a 28-year bond life period, would be realized.

4. Ms. Wagner-Lockwood states that the cost of issuing the proposed Series 1994 Refunding Bonds, including fees for private bond counsel and financial advisors and the services of the Chief Administrative Officer and City Attorney, are expected to be approximately $225,000. Ms. Wagner-Lockwood indicates that funds to cover such costs would be deposited from the bond proceeds into a cost-of-issuance account. Payments from the cost-of-issuance account for services rendered would be authorized by the CAO.

5. According to Ms. Wagner-Lockwood, $190,000,000 in aggregate principal refunding to retire $170,000,000 in aggregate principal issued and sold results in net savings of $6.36 million because the combined total principal and interest payments on the Series 1994 Refunding Bonds are less, by that amount, than the combined total principal and interest payments that would be paid on the Series 1991 Bonds.

Recommendation: Approve the proposed resolutions.

Memo to Budget Committee
January 19, 1994

Item 7 - File 101-93-60

Department: Airports Commission

Item: Supplemental Appropriation Ordinance for Capital Improvement Projects for fiscal year 1993-94

Amount: $17,999,781

Source of Funds:

Interest earned on capital project funds:	
Airport Capital Improvement Fund[1]	$ 6,139,619
1967 General Obligation Bonds	37,251
1975 Series A Revenue Bonds	147,338
1977 Series B Revenue Bonds	302,109
1981 Series C Revenue Bonds	962,343
1983 Series D Revenue Bonds	1,441,742
1990 Series E Revenue Bonds	1,813,723
Subtotal, Interest earned	$10,844,125
Bond Reserve Funds	
Interest earned on the 1991 Master Resolution Contingency Account:	1,134,231
Series C Debt Service Reserve Fund	6,021,425
Subtotal, Bond Reserve Funds	$7,155,656
Total Funds Available for Transfer	$17,999,781

Description: The Lease and Use Agreement between the Airport and the airlines requires that the interest income earned on capital project funds and bond funds be used only for capital improvement projects. Such unexpended fund balances from FY 1992-93 total $17,999,781.

Interest earnings of $10,844,125 would be used to replenish a portion of the $25 million in capital project funds advanced by the Airport to the City's General Fund on June 30, 1993. Bond reserve funds totaling $7,155,656 would be deposited in the 1991 Master Bond Resolution Contingency Account (See Comment 1.).

Comments: 1. The 1991 Master Bond Resolution Contingency Account is a fund, created by the Board of Supervisors, to function as a repository for required reserves for all of the Airport's

[1] The Airport Capital Improvement Fund is funded from landing fees and terminal rentals charged to the airlines.

refunding bond series issued subsequent to 1991. The Account currently contains $27.7 million in reserve funds.

2. Mr. Leo Fermin of the Airport reports that the $10,844,125 that would be used to replenish a portion of the $25 million in capital project funds advanced by the Airport to the City would be used for airfield repaving and runway releveling projects that are included in the Airport's approved Five Year Capital Projects Plan.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Items 8 and 9 - Files 97-93-51 and 97-93-51.1

Department: Assessment Appeals Board

Items: Item 8, File 97-93-51 - Ordinance amending Chapter 2B of the San Francisco Administrative Code by amending Section 2B.3 thereto and adding Sections 2B.11 through 2B.16 to create two additional Assessment Appeals Boards and to provide for the appointment of Assessment Hearing Officers.

Item 9, File 97-93-51.1 - Ordinance amending Chapter 2B of the San Francisco Administrative Code by (1) adding Section 2B.1.2 to incorporate by reference applicable provisions of the California Constitution and State Statute, (2) amending Section 2B.3 to make technical changes, (3) amending Section 2B.5 to increase the compensation of Board Members fees from $100 per day to $200 per day, (4) adding Sections 2B.9 and 2B.10 to require payment of a fee for filing and hearing applications for reduced assessments with the Assessment Appeals Board, (5) adding Section 2B.11 to increase the fee for written findings of fact and conclusions and (6) adding Sections 2B.12 through 2B.18 to create two additional Assessment Appeals Boards and provide for the appointment of an unspecified number of Assessment Hearing Officers.

Description: File 97-93-51.1 represents an Amendment of the Whole to File 97-93-51. As such, the sponsor of this legislation advises that a motion to table Item 8, File 97-93-51 will be introduced at the January 19, 1994 Budget Committee meeting.

The proposed ordinance (File 97-93-51.1), under "findings", states that the number of assessment appeals filed by taxpayers with the Assessment Appeals Board has increased substantially in recent years from 509 appeals in 1989 to more than 6,000 in 1993. Ms. Marilyn Cosentino, Assessment Appeals Board Administrator, concurs with this finding. According to the proposed ordinance, this increase in the number of assessment appeals filed has resulted in increased operating costs to the Assessment Appeals Board because the three members of the Board, who are paid $100 per day, have had to increase their number of days worked. Additionally, according to the proposed legislation, the Board's overhead costs, clerical costs, costs for reproduction of audio-tapes and graphics, and legal fees have also increased.

Under the proposed ordinance (File 97-93-51.1), Chapter 2B of the Administrative Code would be amended to stipulate the following:

1. Section 2B.3, which outlines regulations regarding Assessment Appeals Board membership and selection, would be amended to provide that the Board of Supervisors as an alternative to the nomination and selection procedure provided in Section 1623 of the California Revenue and Taxation Code, does hereby elect to fill vacancies on the Assessment Appeals Board in the manner prescribed by Section 1623.1 of the California Revenue and Taxation Code. The City Attorney advises that this represents a technical change to conform to the existing practice of the Board of Supervisors.

2. Section 2B.5 would be amended to increase the compensation of members of the Assessment Appeals Board from the current $50 for each one-half day of service or $100 per full day to $100 of for each one-half day of service or $200 per full day. The current compensation of members of the Assessment Appeals Board is substantially below the compensation paid to members of Assessment Appeals Boards in counties of comparable size and importance. The compensation per day of members of the Assessment Appeals Boards in the following four Bay Area counties is as follows: Alameda County ($150), Marin County ($200), Contra Costa County ($150) and Santa Clara County ($200). According to Mr. Andrew Schwartz, Deputy City Attorney, members of Assessment Appeals Boards in other counties in California comparable in size to San Francisco, such as San Diego, Los Angeles and Santa Clara, receive at least $200 each per day in compensation.

3. A new Section 2B. 1.2 would be added to incorporate by reference applicable provisions of the California Constitution and State Statute, in order to clarify that this legislation is intended to be compatible with State law.

4. A new Section 2B. 9 would be added to provide that an applicant filing for a reduced assessment shall pay a $30 non-refundable processing fee to the Assessment Appeals Board at the time of filing an application with the Board. A separate filing fee would be required for each application filed. Section 2B.9 would further provide that this filing fee shall be waived where the applicant is indigent, pursuant to California Government Code Section 68511.3.

Currently, there is no fee required to file an appeal with the Assessment Appeals Board.

5. A new Section 2B. 10 would be added to provide that where an application is not withdrawn at least 30 days

prior to the date that a hearing has been scheduled by the Assessment Appeals Board, the applicant must pay a hearing fee, at least 30 days prior to the hearing date, to the Assessment Appeals Board. Currently, no hearing fee is charged. Since the Assessment Appeals Board's cost to hear and determine an appeal generally increases in direct proportion to the assessed value of the property affected by the appeal, the hearing fee for an assessment appeal would be based on the current assessed value of the property affected by the appeal. According to Ms. Cosentino, the hearing fee would not exceed the Assessment Appeals Board's total cost to hear and determine the appeal. The following is the proposed schedule for hearing fees along with Ms. Cosentino's conservative estimate of the cost to process an appeal:

Assessed Property Value	Estimated Minimum Cost to Process an Appeal	Proposed Hearing Fee	Excess of Cost Over Fee
$250,000 or less	-	No Charge*	-
$250,001 - $2,000,000	$77	$50	$27
$2,000,001 - $10,000,000	137	100	37
$10,000,001 - $20,000,000	277	250	27
$20,000,001 - $50,000,000	400	400	0
$50,000,001 - $100,000,000	637	600	37
More than $100,000,000	1,200	1,200	0

* For properties assessed at $250,000, the estimated cost to process an appeal is $37, which would be covered under the proposed filing fee of $30 provided for under the proposed new Section 2B. 9

Section 2B.10 would further provide that (1) where an applicant files two or more applications at the same time affecting the same property, the applicant shall be liable for a single hearing fee based on the sum of the current assessed value of all property contained in the appraisal unit, (2) revenues generated by the filing fee (as provided for under Section 2B.9) shall be used exclusively to pay for the Assessment Appeals Board's operating costs, (3) the hearing fee shall be refunded to an applicant if the Assessor lowers the assessed value of the property following the hearing and (4) the hearing fee shall be waived if the application concerns residential property and the applicant elects to have the appeal heard by a hearing officer pursuant to Sections 2B.14 - 2B.18. The hearing fee would be waived under this latter provision because a hearing conducted by a single Hearing Officer involves less cost to

the City than a hearing conducted by the three-member Assessment Appeals Board. According to Mr. Schwartz, waiving the hearing fee for hearings conducted by a Hearing Officer would serve as an added incentive for applicants to consider a hearing before a Hearing Officer as opposed to the Assessment Appeals Board, thereby reducing the cost to the City.

6. A new Section 2B. 11 would be added to provide that the fee payable to the Assessment Appeals Board for the preparation of findings of fact, pursuant to California Revenue and Taxation Code Section 1611.5, shall be in accordance with the following schedule:

Assessed Value of Property	Fee
$0 - $1,000,000	$100
$1,000,001 - $2,000.000	$125
$2,000,001 - $10,000,000	$150
$10,000,001 - $20,000,000	$200
$20,000,001 - $50,000,000	$250
$50,000,001 - $100,000,000	$300
More than $100,000,000	$350

Section 2B. 11 would also provide that (1) revenues generated by the above-noted fee for findings of fact, shall be used exclusively to pay for the Assessment Appeals Board's operating costs and (2) if the City Attorney assists the Assessment Appeals Board in preparing findings of the fact, revenues generated from this fee shall be credited to the City Attorney based on the actual amount of time expended by the City Attorney in advising the Board with respect to the findings.

In 1988, the Budget Analyst conducted a study of the reasonable cost to the Assessment Appeals Board to prepare written findings and conclusions entitled " Budget Analyst's Cost Analysis of Assessment Appeals Board Findings of Fact," contained in File 129-88-1. The Budget Analyst concluded in this study that the Assessment Appeals Board's cost of providing written findings of fact and conclusions, not including the time that would ordinarily be spent to process an assessment appeal, was in the range of $137 to $167 for the average appeal. As a result of this study, the Board of Supervisors increased the fee for written findings of fact and conclusions from $10 to $75 (Resolution No. 22-89) for all applications, regardless of the value of the property.

The Budget Analyst has updated the 1988 study in a memorandum entitled "Updated Cost Analysis of Assessment Appeals Board Findings of Fact," dated January 8, 1993, finding that the cost to prepare written findings of fact and conclusions for the average assessment appeal has increased to between $147 and $177.

The proposed ordinance would increase the fee amount for findings of fact, based on the above noted fee schedule, from the current fee of $75 per application, regardless of property value.

6. A new Section 2B. 12 would be added to provide that pursuant to Article XIII, Section of the California Constitution, two additional Assessment Appeals Boards would be created, which would be designated Assessment Appeals Board Numbers 2 and 3 respectively. Together, Assessment Appeals Boards Number 1, (the existing Board) Number 2 and Number 3 shall be known as the County Board of Equalization.

7. A new Section 2B. 13 would be added to provide that the two new proposed Assessment Appeals Boards Number 2 and Number 3 shall have the same duties as those prescribed for Assessment Appeals Board Number 1. Each of the two new proposed Boards would consist of three members appointed by the Board of Supervisors, as is the current practice with the existing Board. Additionally, the members of the proposed two new Boards would be compensated at the same rate as the existing Board and would conduct business according to the same quorum requirements of the existing Board. This Section further provides that the Clerk of the Board of Supervisors shall serve as Clerk and Administrator of the two proposed Boards and perform the same duties for these Boards as it currently performs for the existing Assessment Appeals Board. In addition, if the two proposed Boards are created, the Clerk of the Board would also assign on a random basis each application for a reduced assessment to one of the three Assessment Appeals Boards.

If the proposed two new Assessment Appeals Boards are created there would be a total of nine Board members (three members for each Board). The cost of the three Assessment Appeals Boards would be determined by the number of days worked by the Board members. For FY 1994-95, Ms. Cosentino is proposing to budget for a total of 150 days service for three Board members or two times the 75 days currently budgeted. Based on the members being

compensated at the proposed rate of $200 per full day, the total cost would be $90,000 annually (3 members x 150 days x $200). The Assessment Appeals Board currently spends $22,500 for Board member compensation (three members x 75 days x $100 per day). According to Ms. Cosentino, the additional two Boards would provide greater flexibility with regard to setting hearings because there would be a larger pool of Board members to draw from.

Mr. John Taylor, Clerk of the Board of Supervisors advises that, other than the additional cost of compensation for the Board members and a possible undetermined increase in costs connected with the Equalization Clerk assigned to the Assessment Appeals Board, the addition of two more Assessment Appeals Boards would have no fiscal impact on the Clerk of the Board's budget. The Equalization Clerk, which is responsible for recording the procedures at the hearings of the Assessment Appeals Board is currently budgeted for $17,634 through February 28, 1994.

8. A new Section 2B. 14 would be added to provide that, pursuant to Article 1.7 of Chapter 1, Part 3, Division 1 of the California Revenue and Taxation Code, the Board of Supervisors may appoint one or more Assessment Hearing Officers to conduct hearings on applications for reduced assessments filed with the County Board of Equalization. Currently there are no Hearing Officers. The Assessment Hearing Officers would be compensated at the same rate proposed for Assessment Appeals Board members under Section 2B. 5 ($100 per half day or $200 per day). Additionally, the Clerk of the Board would serve as Clerk and Administrator to any Assessment Hearing Officer appointed, as is the current practice, and would perform the same duties it currently performs for existing Assessment Hearing Officers. Members of the County Board of Equalization and alternate members would be appointed to serve as Assessment Hearing Officers and would be assigned to conduct hearings in this capacity by the Clerk of the Board on an as needed basis.

9. A new Section 2B. 15 would be added to provide that hearings conducted before an Assessment Hearing Officer shall be conducted pursuant to the provisions of Article 1.7 of the California Revenue and Taxation Code. Additionally, this Section would provide that an Assessment Hearing Officer may conduct hearings on applications where (1) the applicant has filed an application in accordance with applicable law, (2) the property under consideration is a single-family dwelling, condominium, or cooperative, or a

multiple-family dwelling of four units or less, and (3) the applicant has requested that the hearing be held before an Assessment Hearing Officer.

If the proposed ordinance is approved, Ms. Cosentino is proposing to budget for a total of 25 days full days of service for two Hearing Officers. Based on the two Hearing Officers being compensated at the proposed rate of $200 per full day, the total cost would be $10,000 annually (2 Hearing Officers x 25 days x $200 per day.

According to Mr. Taylor, other than the additional costs associated with the compensation of the proposed Hearing Officers and the possible undetermined increase in costs associated with the Equalization Clerk noted above, the proposed Hearing Officers would have no fiscal impact on the Clerk of the Board's budget.

10. A new Section 2B. 16 would be added to provide that, pursuant to Section 1639 of the California Revenue and Taxation Code, the Assessment Hearing Officer must prepare a summary report of the proceedings together with a recommendation on the application and transmit this report and recommendation the Clerk of the Board.

11. A new Section 2B. 17 would be added to provide that, pursuant to Section 1640.1 of the California Revenue and Taxation Code, the Clerk of the Board shall transmit by mail to the applicant and to a designated Assessment Appeals Board member the Hearing Officer's report and recommendation (required under Section 2B. 16). The applicant must be informed that the Assessment Appeals Board is not bound by the recommendation of the Assessment Hearing Officer and that he or she is entitled to a full hearing before the Assessment Appeals Board.

12. A new Section 2B. 18 would be added to provide that the protesting party or the Assessor may, within 14 days after the mailing of the Hearing Officer's report and recommendation, apply for a hearing before the Assessment Appeals Board. The Assessment Appeals Board may consider, but would not be bound by, the recommendation of the Assessment Hearing Officer. If no application for a hearing is filed within the designated 14 days, the Assessment Appeals Board shall without further testimony, either accept the recommendation of the Hearing Officer and make any necessary change in the assessed value of the property or reject the recommendation and set a hearing for

the application for a reduced assessment before the Assessment Appeals Board.

Comments:

1. In summary, the major provisions of the proposed ordinance include (1) increasing the compensation of Assessment Appeals Board members from the current $50 for each one-half day of service or $100 per full day to $100 for each one-half day of service or $200 per full day, (2) the establishment of a $30 non-refundable processing fee to be required for each application filed with the Assessment Appeals Board, (3) the establishment of a hearing fee that would range from a minimum of $50 to a maximum of $1,200 based on the assessed value of the property, (4) an increase in the existing fee of $75 for the preparation of findings of fact by the Assessment Appeals Board (the fee would range from a minimum of $100 to an maximum of $350 based on the assessed value of the property), (5) the creation of two new Assessment Appeals Boards consisting of three members each to be appointed by the Board of Supervisors and (6) the appointment of one or more Hearing Officers by the Board of Supervisors. These Hearing Officers would be compensated at the same rate proposed for Assessment Appeals Board members.

2. There are currently three Assessment Appeals Board members who are budgeted to work for 75 full days in FY 1993-94. These Board members currently receive $50 per one-half day of service or $100 per full day, for a total annual cost of $22,500 (3 members x 75 days x $100 per day) for FY 1993-94. Based on the representation of Ms. Cosentino, there would be 150 days of service budgeted for three Assessment Appeals Board members and 25 days budgeted for two Assessment Hearing Officers. Both of these classifications would be paid $200 per day under the proposed legislation. If such budgets are approved, the total annual costs would be $100,000 ($90,000 for the Assessment Appeals Board members - 3 members x 150 days x $200 per day plus $10,000 for the Assessment Hearing Officers (25 days x 2 Assessment Hearing Officers x $200 per day). Therefore, the total estimated increased annual costs would be $72,500 ($100,000 less $22,500).

3. Based on the 6,561 applications filed with the Assessment Appeals Board in calendar 1993, a total of $196,830 in new revenue would have been generated by the proposed $30 non-refundable processing fee ($30 x 6,561 applications).

4. Of the 6,561 applications filed for 1993, thus far 58 hearings have been held. Based on the proposed fee schedule for hearings conducted by the Assessment Appeals Board, the total estimated new revenue that would have been generated in 1993, as a result of the 58 hearings held thus far, is as follows:

Assessed Property Value	Number of 1993 Hearings	Hearing Fee	Estimated Revenue
$250,001 - $2,000,000	53	$50	$2,650
$2,000,001 - $10,000,000	4	100	400
$10,000,001 - $20,000,000	1	250	250
$20,000,001 - $50,000,000	0	400	0
$50,000,001 - $100,000,000	0	600	0
More than $100,000,000	0	1,200	0
Total	58		$3,300

It should be noted that of the 58 hearings held, 55 involved applications which were withdrawn prior to the hearing date. Under the proposed ordinance, if an applicant withdraws an application at least 30 days prior to the hearing date, he or she would not be subject to the hearing fee. The Assessment Appeals Board was unable to determine, as of the writing of this report, how many, if any, of the 55 applications which were withdrawn, were done so at least 30 days prior to the hearing date.

5. In 1993, 21 applications for written findings of fact were processed by the Assessment Appeals Board at the existing fee of $75 per application, for a total of $1,575 in revenue. Based on the proposed fee schedule for preparation of finding of facts, the total revenue, which would have been generated in 1993 for the 21 applications, is $4,900 (or $3,325 in additional annual revenues) as follows:

Assessed Value of Property	Applications Filed	Fee	Estimated Revenue
$0 - $1,000,000	0	$100	$0
$1,000,001 - $2,000,000	0	125	0
$2,000,001 - $10,000,000	4	150	600
$10,000,001 - $20,000,000	6	200	1,200
$20,000,000 - $50,000,000	7	250	1,750
$50,000,001 - $100,000,000	1	300	300
More than $100,000,000	3	350	1,050
Total	21		$4,900

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR - ACTION TAKEN

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
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RESCHEDULED BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 26, 1994 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, BIERMAN

ABSENT: SUPERVISOR ALIOTO

CLERK: MARY L. RED

REGULAR CALENDAR

1. File 101-89-34.13. [Release Reserved Fund/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $376,566, for Chinatown Branch Library Renovation and Expansion Project. (Also see File 101-92-10.4). (Public Library)
(Continued from 1/12/94)

   ACTION: Consideration continued to call of the chair.

2. File 101-92-10.4. [Release Reserved Funds/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of $772,017, for Chinatown Branch Library Renovation and Expansion Project. (Public Library) (Continued from 1/12/94)

   ACTION: Consideration continued to call of the chair.

3. File 101-93-72. [Appropriation, Dept. of Public Health (SFGH)] Ordinance appropriating $20,000,000, San Francisco General Hospital, to allow to participate in the SB 1255 Disproportionate Share Payment Program through the California Medical Assistance Commission during Fiscal Year 1993-94; funded from Disproportionate Share Program Revenues. RO #93194 (Controller)

   ACTION: Hearing held. RECOMMENDED. (Supervisors Alioto, Bierman, Hsieh added as sponsors).

4. File 101-93-70. [Appropriation, Police Dept./Citizen Complaints] Ordinance appropriating $61,420, Office of Citizen Complaints, Police Department, from the General Fund Reserve, to restore three positions for Fiscal Year 1993-94; subject of previous budgetary denial. (Companion measure to File 102-93-19). RO #93193 (Controller)

   ACTION: Hearing held. Consideration continued to February 9.

5. File 102-93-19. [Police Dept., Restoration of Three Positions] Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94) reflecting the restoration of three positions in the Office of Citizen Complaints of the Police Department; companion measure to File 101-93-70. (Civil Service Commission)

   ACTION: Hearing held. Consideration continued to February 9.

6. File 101-93-71. [Appropriation, Art Commission] Ordinance appropriating $760,548, Art Commission, of Hotel Tax Funds to the Cultural Equity Endowment Funds for Fiscal Year 1993-94; (includes two positions, equipment purchase, other non-personal services and materials and supplies). RO #93192 (Controller)

   ACTION: Hearing held. Amended on page 1, line 3 by adding "providing for review in six months and annually thereafter"; on line 15 replace "$36,624" with "$31,741"; on line 16 replace "$8,424" with "$7,300"; and on line 20 replace "$703,400" with "$709,407".
   On page 2, line 2, replace "G" with "L"; and on line 3, replace "G" with "N".
   On page 2, line 13, add "Section 3. Providing that the Art Commission be required to submit a report in six months time and annually thereafter, to the Board of Supervisors for review, listing each recipient of the grant awards, along with the amount of each award."
   New title: [Appropriation, Art Commission] Ordinance appropriating $760,548, Art Commission, of Hotel Tax Funds to the Cultural Equity Endowment Funds for Fiscal Year 1993-94; (includes two positions, equipment purchase, other non-personal services and materials and supplies); providing for review in six months and annually thereafter. RECOMMENDED AS AMENDED.

7. File 102-93-20. [Art Commission, Add Two Positions] Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94) reflecting the addition of two positions in the Art Commission. (Civil Service Commission)

   ACTION: Hearing held. Amended on line 14 by replacing "G" with "L"; and on line 15 by replacing "G" with "N". Same title. RECOMMENDED AS AMENDED.

8. File 170-94-1. [General Obligation Refunding Bonds] Resolution authorizing the issuance from time to time in one or more series of not to exceed $600,000,000 aggregate principal amount of City and County of San Francisco General Obligation Refunding Bonds; approving the form and authorizing the execution of declaration of trusts; authorizing the appointment of depositories and other agents; approving the form and authorizing the execution and delivery of escrow agreements; approving the tax levy for repayment of the bonds; approving procedures for the sale and award of bonds; approving the form of and authorizing the publication of official notices of sale; authorizing the publication of notices of intention to sell; approving the form of and authorizing the execution and delivery of bond purchase agreements; authorizing selection of underwriters; approving the form of and authorizing the distribution of preliminary official statements and authorizing execution and delivery of official statements; approving the appointment of verification agents; approving the retention of other agents and payment of compensation to such agents; authorizing payment of costs of issuance; authorizing the filing of a validation action; approving modifications to documents; ratifying actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds and the refunding of certain outstanding general obligation bonds. (Chief Administrative Officer)

   ACTION: Hearing held. RECOMMENDED.

9. File 217-94-2. [Supplemental Budget/Senior Escort Program] Hearing to consider the status of the Board of Supervisor's request for a $290,000 supplemental appropriation for the Senior Escort Program. (Supervisor Hsieh)

ACTION: Hearing held. Consideration continued to February 23. (Supervisor Bierman added as cosponsor)

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 24, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: January 26, 1994 Budget Committee Meeting

Items 1 and 2 - Files 101-89-34.13 and 101-92-10.4

Note: This item was continued from the Budget Committee meeting on January 12, 1994.

Department: Public Library

Items: Item 1, File 101-89-34.13 - Release of reserved funds, in the amount of $376,566, for the Chinatown Branch Library Renovation and Expansion Project.

Item 2, File 101-92-10.4 - Release of reserved funds, in the amount of $772,017, for the Chinatown Branch Library Renovation and Expansion Project.

Amount: $376,566 - 1988 Public Facilities System Improvement Bonds
772,017 - 1988 Public Facilities System Improvement Bonds
$1,148,583 Total

Source of Funds: 1988 Public Facilities System Improvement Bonds

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate $11,366,423 in 1988 Library Improvement Bond funds to the Public Library. Of that amount, $3,940,277 was reserved pending (1) submission to the Budget Committee of detailed information on the level and type of services to be

provided by the Bureau of Architecture ($175,000), (2) issuance of a Request for Proposals (RFP) for the outside consultant project manager for the new Main Library ($45,000), (3) details of miscellaneous project services ($428,807), and (4) details of Branch Library improvements ($3,263,255) and miscellaneous costs ($28,215). The Budget Committee has subsequently released reserves totaling $2,114,727, leaving a balance on reserve of $1,825,550. The Library is now requesting that $376,566 be released from reserve for renovation of the Chinatown Branch Library.

In December of 1992, the Board of Supervisors approved two supplemental appropriation ordinances (Files 101-92-10.1, 101-92-10.2) to appropriate $89,413,545 in 1988 Library Improvement Bond funds plus a gift from the Library Foundation of San Francisco totaling $9,614,568 (File 138-92-27) for an overall total of $99,028,113 for capital improvement projects for the new Main Library and the Branch Libraries. Of the $99,028,113, a total of $6,172,083, including $772,017 for renovation of the Branch Libraries, was placed on reserve pending contract and budget details. The Budget Committee has subsequently released reserves totaling $3,044,499 leaving a balance on reserve of $3,127,584. The Library is now requesting that the $772,017 be released from reserve for the renovation of the Chinatown Branch Library. The $772,017 plus the $376,566 noted above would bring the total amount requested for release from reserve for this renovation project to $1,148,583. The renovation of the Chinatown Branch Library will include seismic upgrade, handicapped accessibility and a building addition which will provide expanded public space and expanded room to house the Chinatown Branch Library's collections.

Comments:

1. The Library has requested that these two items be continued to the Call of the Chair. According to Ms. Seema Grover of the Library, this request for continuance is to allow additional time for the Department of Public Works (DPW), Bureau of Architecture (BOA) to attempt to negotiate the right to access the property adjacent to the Chinatown Branch Library construction site. According to Mr. Russ Abel of the DPW, BOA, permission to use this adjoining property, owned by the Korean Church, is needed to allow the access of heavy machinery to the construction site and the removal of excavated materials from the construction site. Mr. Abel advises that if permission is not granted by the property owner to permit such access, it will be more difficult to perform the construction work at the site and will result in increased construction costs.

2. Mr. Abel reports that the Request for Bids issued in connection with the Chinatown Branch Library Renovation and Expansion project (a) required the submission to DPW of a "base bid" based on the contractor being able to access the construction site through the adjacent property and (b) requested three optional alternative bids based on varying degrees of difficulty in the contractor accessing the construction site by means other than the adjacent property. Mr. Abel advises that the lowest responsible bidder, CICO - JOO, a Joint Venture Partnership, bid the base amount of $3,164,862, but did not submit the optional three alternative bids. According to Mr. Abel, the second lowest bidder, Nibi/Tom, a Joint Venture Partnership, bid the base amount of $3,305,947 and the third lowest bidder, Transworld Construction Inc. bid the base amount of $3,463,749. Both Nibi/Tom and Transworld Construction Inc. also submitted the three optional alternative bids. Mr. Abel states that if DPW is unable to negotiate the right to use the property adjacent to the construction site, CICO - JOO, having submitted only the base bid, and not the three alternative bids, would be rejected by DPW, since the bid of CICO-JOO did not take into consideration that access to the construction site from the adjacent property might not be available. If CICO - JOO is rejected, according to Mr. Abel, DPW would select the lowest responsible bidder, based on the alternative bids, submitted by Nibi/Tom and Transworld Construction Inc.

3. As of the writing of this report, the contract for the Chinatown Branch Library Renovation and Expansion Project has not been awarded.

Recommendation: Continue the two requests for the release of reserved funds to the Call of the Chair, as requested by Ms. Grover of the Public Library.

Memo to Budget Committee
January 26, 1994 Budget Committee Meeting

Item 3 - File 101-93-72

Department: Department Public Health (DPH)
San Francisco General Hospital (SFGH)

Item: Supplemental Appropriation Ordinance appropriating $20,000,000 to allow San Francisco General Hospital to participate in the SB 1255 Disproportionate Share Payment Program through the California Medical Assistance Commission during fiscal year 1993-94.

Amount: $20,000,000

Source of Funds: Increased Medi-Cal revenues

Description: The SB 1255 Program provides a mechanism for additional supplemental Medi-Cal payments to the State's disproportionate share hospitals, such as SFGH. A disproportionate share hospital is defined as a hospital with a Medi-Cal inpatient utilization rate higher than the State average. Under the SB 1255 Program, disproportionate share hospitals make voluntary transfer payments to the California Medical Assistance Commission. These transfer payments are then used to match Federal Medicaid monies thereby increasing the total amount of revenue available for distribution back to the disproportionate share hospitals based on Medi-Cal patient days of service. SFGH is one of 41 hospitals Statewide which is eligible to receive funds under the SB 1255 Program.

The DPH reports that it has not yet been notified by the State regarding the exact amount of revenue that will be available under the SB 1255 program. As such, the DPH is unable to provide an estimate of what the net return in revenues to the City would be based on a transfer of $20,000,000 to the California Medical Assistance Commission. The DPH is requesting that the full $20,000,000 be approved at this time so that the Department can access these funds as soon as the State announces the level of revenue available. According to Ms. Tangerine Brigham of the DPH, customarily there is only approximately a two to three week turn-around period between the time the State announces the availability of revenue and the time in which the DPH must transfer the payment to the California Medical Assistance Commission in order to take advantage of the increased revenues.

Comments: 1. Since the DPH has not been notified of the specific level of revenue that will be available to the City under the SB 1255 Program, the Controller's Office may have to adjust the

amount of the $20,000,000 appropriation in accordance with the actual level of revenues available to the City under the SB 1255 Program.

2. Mr. John Madden of the Controller's Office advises that the Controller cannot provide an estimate of the amount of additional revenue which would accrue to the City based on the transfer of the $20,000,000 to the State. However, the Controller will not release any of the $20,000,000 appropriation until formal notification is received from the State indicating the specific level of revenue that will be available to the City.

Recommendation: Approve the proposed ordinance.

Memo to Budget Committee
January 26, 1994

Items 4 and 5 - Files 101-93-70 and 102-93-19

Department: Police Department - Office of Citizens Complaints (OCC)

Item: Supplemental Appropriation Ordinance (File 101-93-70) and Ordinance Amending the Annual Salary Ordinance (File 102-93-19) for restoration of three positions in the OCC. The positions are the subject of previous budgetary denial and therefore require a two thirds majority vote for Board of Supervisors Approval.

Amount: $61,420

Source of Funds: General Fund General Reserve

Description: 1. The OCC's 1993-94 budget, as recommended by the Mayor, eliminated four vacant positions from the OCC's 1992-93 authorized staffing level. These positions, all of which were vacant at the time the 1993-94 budget was approved, were:

Positions	Maximum Annual Salary
(1) 8127A Chief Investigator	$67,390
(1) 1823 Sr. Administrative Analyst	58,203
(2) 1425 Sr. Clerk Typists ($33,877 each)	67,754
(4) Total Maximum Annual Salaries	$193,347

2. The Police Commission approved a supplemental appropriation request to restore the four positions. The Mayor has recommended that three of the four positions be restored (disapproving the request for the 1823 Sr. Administrative Analyst) for the last five months of the 1993-94 Fiscal Year requiring the following expenditures:

Permanent Salaries	$50,760
Mandatory Fringe Benefits	10,660
Total Request	$61,420

Comments: 1. The 8127A Chief Investigator position became vacant in March, 1992. The OCC reports that the Civil Service Commission is now completing certification of a list of candidates and that the Chief Investigator can be hired as soon as the position is authorized and funding approved. Restoring and filling this position is critical to "coordination

and management of the investigative unit, as well as other management and community outreach programs" according to Alfreda Davis-Porter, Director of the OCC.

2. The OCC has recently published a Statistical Report to the Police Commission incorporating ten months of statistics for the period of January, 1993 through October, 1993. This report stated that, as of October 31, 1993, the OCC had 485 pending complaints which have not been "closed". This level of pending complaints represents a 42% increase over the 342 complaints pending on December 31, 1992.

The OCC also reports that, as of January 1, 1994, there are approximately 663 complaints pending. Of this total, approximately 200 have been investigated and a finding has been made, but await clerical processing. The large backlog for clerical processing appears to substantiate the need for the two Senior Clerk Typist positions.

Recommendation: The proposed ordinances are policy matters for the Board of Supervisors.

Memo to Budget Committee
January 26, 1994 Budget Committee Meeting

Items 6 and 7 - Files 101-93-71 and 102-93-20

Departments: Chief Administrative Officer (CAO)
Art Commission

Items: Item 6, File 101-93-71 - Supplemental Appropriation Ordinance appropriating $760,548 of Hotel Tax funds to the Cultural Equity Endowment Fund for fiscal year 1993-94 for two positions at the Art Commission, purchase of equipment, other non-personal services and materials and supplies.

Item 7, File 102-93-20 - Ordinance amending the Annual Salary Ordinance, 1993-994, to reflect the addition of two positions in the Art Commission.

Amount: $760,548

Source of Funds: Cultural Equity Endowment Fund (Hotel Taxes)

Description: In January, 1993, the Board of Supervisors approved an ordinance to amend the Municipal Code to provide for the allocation of Hotel Tax monies to a Cultural Equity Endowment Fund (File 127-92-11). Effective July 1, 1993, this Cultural Equity Endowment Fund is to be allocated 1.25 percent of Hotel Taxes. Beginning July 1, 1994, this Fund will receive 1.75 percent of Hotel Taxes and as of July 1, 1995 this Fund will receive 2.25 percent of Hotel Taxes. The estimated amount of Hotel Taxes that will be allocated to the Cultural Equity Endowment Fund for FY 1993-94 is $764,700 (1.25 percent of the budgeted Hotel Tax base revenues).

The Board of Supervisors has established guidelines for the disbursement of the Cultural Equity Endowment Fund and authorized the Art Commission to administer and implement the Cultural Equity Endowment Programs (File 97-93-49). Under these guidelines, there are four Programs to be financed with the Fund: (1) Cultural Equity Initiatives Program, (2) The Commissions to Individual Artists Program, (3) Project Grants to Small and Mid-Size Organizations and (4) The Facilities Fund Program. The Art Commission is not required to fund all four of these Programs if the Art Commission determines, after review and evaluation, that the demand under a particular Program does not warrant expenditure of the allocated portion of the Cultural Equity Endowment Fund.

The Art Commission is proposing to (1) fund an as yet undetermined number of grants under the above-noted

Cultural Equity Endowment Programs (2) hire two new staff persons to administer the Cultural Equity Endowment Programs, (3) purchase two personal computers and related equipment and (4) pay for other operating expenses in connection with this program.

The proposed ordinance to amend the 1993-94 Annual Salary Ordinance (File 102-93-20) would create two new positions in the Art Commission as follows:

Classification/Title	No. of Positions	Bi-Weekly Salary	Maximum Salaries At Top Step
3541 Curator I	1	$1,027/ 1,243	$32,442
3544 Curator III	1	$1,491/ 1,809	47,215
Total			$79,657

The proposed supplemental appropriation (File 101-93-71) would provide funding for the proposed two new positions, the grant programs, the computer equipment and other operating expenses as follows:

Personnel		
Curator I	$14,916	
Curator III	21,708	
Subtotal	$36,624	
Fringe Benefits (23%)	8,424	
Subtotal		$45,048
Grant Programs		676,850
Equipment		
Personal Computer (2)	$3,064	
Printer	2,190	
Computer Monitor (2) - displays computer information	790	
Miscellaneous Computer Equipment	1,956	
Subtotal		8,000

Operating Expenses		
Office furniture	$1,600	
Office Supplies	500	
Computer Software	2,000	
Printing/Copying	7,600	
Postage	3,600	
Telephone	750	
Rent	3,600	
Expenses Associated with Panel Evaluations of Grant Proposals	1,000	
Consulting Services	5,000	
Training	4,000	
Conference/Travel	1,000	
Subtotal		$30,650
Total		$760,548

Comments:

1. As noted above, the Art Commission is proposing to hire 2 staff persons to administer the Cultural Equity Endowment Programs totaling $676,850. The Art Commission's original proposal was for 2.5 FTEs. In a prior report to the Board of Supervisors (File 97-93-49) the Budget Analyst noted that the Chief Administrative Officer (CAO) currently has 2.5 positions which administer the Grants to the Arts Program, which will receive a total Hotel Tax allocation of $9,719,467 for FY 1993-94 or $8,958,919 more than the proposed $760,548 for the Cultural Equity Endowment Fund for FY 1993-94. The Grants to the Arts Program awards grants to performing arts groups and organizations and institutions which support the arts (i.e., museums and galleries). Attached is a September 1, 1993 memo, previously submitted to the Board of Supervisors, from Ms. Joanne Chow Winship, Director of Cultural Affairs of the Art Commission, which outlines the Art Commission's justification for the proposed 2 new positions to administer the Cultural Equity Endowment Programs.

2. The CAO previously advised that the Grants to the Arts Program administers approximately 200 to 225 grants per year of which six are major on-going grants which represent approximately 39 percent of the total grant amount awarded each year. These six grants include the American Conservatory Theater, the Exploratorium, the Museum of Modern Art, the San Francisco Opera, the San Francisco Ballet and the San Francisco Symphony. According to the CAO, grant awards range from a minimum of approximately $1,000 to $2,000 (for primarily small dance companies) to approximately $850,000 (for the San Francisco Opera).

3. As of the writing of this report, the Art Commission was unable to provide an estimate of the number of grants or the average amount of the grants to be awarded under the Cultural Equity Endowment Programs.

4. The proposed salary amounts of $14,916 and $21,708, for the Curator I and Curator III positions respectively, were based on these two positions being filled by mid-January 1994. The Art Commission now advises that the earliest that these two positions could be filled is February 7, 1994. As such, the actual salary amounts required for the Curator I and Curator III positions are $12,927 and $18,814 respectively for the balance of the fiscal year (6/30/94) for a total of $31,741 or $4,883 less than the total requested amount of $36,624. Based on a total salary need of $31,741, the fringe benefit amount required would be $7,300 or $1,124 less than the requested amount of $8,424. Based on this recommended reduction by the Budget Analyst, Ms. Chow Winship is now requesting that any reduction made by the Budget Committee should be used to fund additional grant programs.

5. As noted above, the Art Commission has not, as yet, selected the potential recipients of the proposed grants totaling $676,850. According to the Art Commission, the selection process will require, on an annual basis, four separate rounds of processing proposals, one for each of the four program components of the Cultural Equity Endowment Programs. The Budget Analyst believes that, whether the $676,850 earmarked for grant awards should be placed on reserve, pending the Art Commission's submission of details on which organization or individual artist is to receive the grant awards and the amount of the grant for each organization or individual artist, is a policy matter for the Board of Supervisors.

Recommendations: 1. Given the disparity of administrative staffing between the CAO's Grants to the Arts programs (2.5 positions for $9,719,467 of Hotel Tax monies versus the Art Commission's Cultural Equity Endowment Programs 2 requested positions for $676,850 in program monies), the Budget Analyst cannot recommend approval of two new positions. However, considering the justification provided by Ms. Chow Winship (see Attachment), we consider approval of the requested two new positions to be a policy decision for the Board of Supervisors.

2. Approval of whether the $676,850 for the grant allocation should be placed on reserve, pending the Art Commission's submission of the grant details, including which organizations and individuals are to be awarded grants and the amount of each grant, is a policy matter for the Board of Supervisors.

3. If the Board of Supervisors chooses not to place the $676,850 in requested grant awards on reserve pending submission of the grant details (name of recipient and amount awarded to each recipient), the Budget Analyst recommends that the Art Commission be required to submit an annual report to the Board of Supervisors, listing each recipient of the grant awards, along with the amount of each award.

4. If the two new positions are approved by the Budget Committee, the proposed ordinance (File 101-93-71) should be amended to (1) reduce the Permanent Salaries category by $4,883 from $36,624 to $31,741 and to reduce the Mandatory Fringe Benefits category by $1,124 from $8,424 to $7,300 for a total reduction of $6,007.

5. Approving the use of the $6,007 recommended reduction to fund additional grant programs, as is now being requested by Ms. Chow Winship, is a policy matter for the Board of Supervisors.

SAN FRANCISCO ART COMMISSION

MAYOR
FRANK M JORDAN

COMMISSIONERS

ANNE HEALY
PRESIDENT

JOHN KRIKEN
VICE PRESIDENT

NANCY BECHTLE
ARISTIDES DEMETRIOU
ALONZO KING
WILLIS F. KIRK
ROBERT F. LaROCCA
GENNY LIM
RAI Y. OKAMOTO
DODIE ROSEKRANS
TERRI SIMON
LIZA ZENNI

EX OFFICIO MEMBERS

PRESIDENTS OF THE
FINE ARTS MUSEUMS
LIBRARY COMMISSION
PLANNING COMMISSION
RECREATION &
PARK COMMISSION

DIRECTOR OF
CULTURAL AFFAIRS
JOANNE CHOW WINSHIP

PROGRAMS

CIVIC ART COLLECTION
CIVIC DESIGN REVIEW
COMMUNITY ARTS
& EDUCATION
POPS SYMPHONY CONCERTS
PUBLIC ART PROGRAM

STREET ARTISTS LICENSES
SUITE 70
415.252.2581

ART COMMISSION GALLERY
155 GROVE STREET
415 554 9682

CITY AND COUNTY OF
SAN FRANCISCO

September 1, 1993

Honorable Terence Hallinan
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Dear Supervisor Hallinan,

I understand, and share with you, your desire to minimize the administrative costs associated with the Cultural Equity Endowment Fund programs. The Commission, my staff and I have looked closely at what we would need to do to successfully implement these programs and thereby serve the purpose for which the Endowment was established. It is within this context that the projected costs were developed.

The focus of these four new programs is to achieve cultural equity: to give opportunities to underserved cultures arts organizations and individual artists, and assist them with resources and services. The four programs will be open to a far larger applicant pool than Grants for the Arts, largely due to two considerations. First, this is the only City granting program for individual artists. In the final report of the Cultural Affairs Task Force, it is cited that San Francisco is home to 13,000 artists (and to 400 performing, visual and literary arts organizations). Second, there are four different programs under which individuals and organizations may apply. Because of these two factors, it is anticipated that the number of applicants will be extremely high and thus will place a heavy burden on those administering the programs. Some of the specific activities that are necessary to make the programs succeed, and that will require a substantial commitment from staff, are explained below.

A great deal of time will be spent getting the word out: reaching underserved populations and encouraging them to apply. Many will need assistance in developing their applications, marketing materials, project ideas, and organizational and fiscal structures. Because these are public funds, we must work with applicants and grantees to assure that appropriate procedures for accountability are in place. In addition, applicants without tax-exempt status may need help in developing a relationship with a fiscal agent.

Both organizational grants and individual commissions must have a public component to their projects. Many applicants and grantees, therefore, may need assistance in securing a public venue for their projects.

The facilities fund program may award grants or loans to non-profit organizations for projects aimed to secure appropriate and affordable facilities for artists and arts organizations. This will require the provision of substantial technical assistance to applicants in helping them to define the scope and budget for the project. For loans, the types of acceptable security will need to be reviewed, as well as building and financing plans.

All programs will have separate review panels to evaluate proposals. A considerable amount of time must be taken to identify qualified individuals and arrange for their participation on the panels. It must be assured that any participants will not have a conflict of interest in reviewing the applications considered by the panel. All proposals and supporting materials will need to be organized for panel review.

The enclosed job descriptions go into these tasks in more detail. Of utmost concern is our ability to provide the most effective services which will help artists and arts organizations achieve their full potential.

Sincerely,

Joanne Chow Winship
Director of Cultural Affairs

cc: ✓Ken Bruce, Office of Budget Analyst, Board of Supervisors

Item 8 - File 170-94-1

Department: Chief Administrative Officer

Item: Resolution authorizing the issuance in one or more series of not to exceed $600,000,000 aggregate principal amount of City and County of San Francisco General Obligation Refunding Bonds; approving the form and authorizing the execution of bonds; approving the form and authorizing the execution of declaration of trusts; authorizing the appointment of depositories and other agents; approving the form and authorizing the execution and delivery of escrow agreements; approving the tax levy for repayment of the bonds; approving procedures for the sale and award of bonds; approving the form of and authorizing the publication of official notices of sale; authorizing the publication of notices of intention to sell; approving the form of and authorizing the execution and delivery of bond purchase agreements; authorizing selection of underwriters; approving the form of and authorizing the distribution of preliminary official statements and authorizing execution and delivery of official statements; approving the appointment of verifications agents; approving the retention of other agents and payment of compensation to such agents; authorizing payment of costs of issuance; authorizing the filing of a validation action; approving modifications to documents; ratifying actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds and the refunding of certain outstanding General Obligation bonds.

Amount: $600,000,000

Description: The proposed resolution would authorize the Chief Administrative Officer (CAO), the City Controller, the City Treasurer and other City officials to take the necessary actions to issue and sell up to $600 million of Series 1994 General Obligation refunding bonds in order to refund a portion of up to $713,819,000 in outstanding General Obligation bonds of the City, for the purpose of realizing debt service savings. However Ms. Laura Wagner-Lockwood of the CAO's Office reports that at the present time, based on current interest rates for the new bonds and the existing rates on the old bonds, it would be feasible for $310,310,000 in aggregate principal of previously issued Series 1987 through Series 1992 General Obligation Bonds to be refunded with approximately $344,185,000 of the $600,000,000 that would be authorized in Series 1994 General Obligation Refunding Bonds.

The following list shows the principal amounts, by series year, of various series of General Obligation bonds that would be candidates for refunding.

Series Year	Principal Amount
1976	$59,983,000
1978	14,036,000
1979	14,000,000
1983	18,095,000
1987	31,000,000
1988	76,000,000
1989	24,000,000
1990	27,500,000
1991	188,600,000
1992	155,560,000
1993	105,045,000
Total	$713,819,000

The principal and interest on the proposed Series 1994 Refunding Bonds are payable solely from property tax revenues collected by the City and interest earnings thereon.

As stated in Section 16 of the proposed resolution, "Validation Action," the CAO, in consultation with the City Attorney, would be authorized to file an action (in Superior Court) for the purpose of validating the issuance, sale and delivery of the Series 1994 Refunding Bonds, the form of Declaration of Trust and the adoption of this proposed Resolution, and such other matters and proceedings relative to the issuance of the Bonds as the CAO, in consultation with the City Attorney, deems appropriate (See Comment No. 1).

Comments:

1. Mr. Victor Castillo of the City's Attorney's Office reports that the primary matter which requires validation in Superior Court is the legality of issuing refunding debt in an aggregate principal amount ($344,185,000) that is greater than the principal amount ($310,310,000) of the existing debt previously authorized by the electorate for a bond series, even though the combined principal and interest payments on the proposed refunding bonds would be less than the combined principal and interest payments on the existing bonds being refunded. Mr. Castillo further reports that the legal issue posed for validation does not pertain to revenue bonds. Although the City has at various times issued refunding bonds, Ms. Wagner-Lockwood and Mr. Castillo report that, to

their knowledge, the proposed refunding bond issuance would be the first such refunding issuance of General Obligation debt by the City.

2. General provisions of the issuance and sale of the proposed Series 1994 Refunding Bonds in the amount of up to $600,000,000 are as follows:

- The CAO would be authorized and directed to determine which issues (or maturities within any issues) of the previously issued bonds shall be refunded from proceeds of any series of bonds and to provide for the sale of any series of bonds, by public or private sale;

- The Series 1994 Refunding Bonds would be issued only if the application of the proceeds of the Series 1994 Refunding Bonds to refund the previously issued bonds would result in lower total scheduled principal and interest payments to the City;

- The Series 1994 Refunding Bonds would be sold at an interest rate which could not exceed 12 percent per year (see Comment No. 3), and would mature no later than the final maturity date of the bonds to be refunded, and in no event shall the Series 1994 Refunding Bonds have a final maturity date after June 30, 2020;

- Costs incurred in connection with the issuance of the Series 1994 Refunding Bonds shall not exceed two percent of the principal amount of such Bonds;

- No 1994 Series Refunding Bonds could be issued or sold after the one year anniversary date of the entry of final judgment of the validation action described in Comment No. 1.

3. Under the proposed resolution, the annual interest rate for the bonds could not exceed 12 percent. Ms. Wagner-Lockwood of the CAO's Office reports that if the Series 1994 Refunding Bonds were sold at this time, the bonds would probably be sold at an overall interest rate of approximately 5.0 percent, which is 1.79 percent less than the overall interest rate of approximately 6.79 percent on the existing bonds. Ms. Wagner-Lockwood notes that interest rates for municipal bonds are currently at their lowest levels since the 1970's.

4. Ms. Wagner-Lockwood reports that the Average Annual Debt Service for the estimated $344,185,000 Series 1994 Refunding Bonds ($534,029,000 including interest) to be

issued is estimated to be $26.7 million compared to $27.95 million for the estimated $310,310,000 portion ($558,925,000 including interest) of the previously issued bonds to be refunded. Thus, according to Ms. Wagner-Lockwood, savings of approximately $1.25 million per year, or a total of approximately $24.9 million over a 20-year bond life period, would be realized.

5. Ms. Wagner-Lockwood states that the cost of issuing the proposed Series 1994 Refunding Bonds, including fees for private bond counsel and financial advisors and the services of the Chief Administrative Officer and City Attorney, are expected to be approximately $400,000. Ms. Wagner-Lockwood indicates that the CAO's Office would submit a separate supplemental appropriation request to fund the issuance costs, and that the amount appropriated for such costs would be deducted from the bond proceeds.

6. According to Ms. Wagner-Lockwood, $344,185,000 in aggregate principal refunding bonds to retire $310,310,000 in previously issued bonds would result in a net savings of $24.9 million because the combined total principal and interest payments on such Series 1994 Refunding Bonds are less, by that amount, than the combined total principal and interest payments that would be paid on such previously issued bonds.

Recommendation: Approve the proposed resolution.

Memo to Budget Committee
January 26, 1994

Item 9 - File 217-94-2

This item is a hearing to consider the status of the Board of Supervisors request for a $290,000 supplemental appropriation for the Senior Escort Program.

In order to meet the budget reduction target required by the Mayor's Office, the Senior Escort Program's FY 1993-94 budget was reduced by $764,524 from the FY 1992-93 budget of $2,112,069 to $1,347,545. This reduction reflects the elimination of 25 positions, with the total staff being reduced from 42 positions to 17 positions.

Based on a January 10, 1994 letter from the Mayor to the Board of Supervisors, the Mayor's Office indicated that (1) the Police Department considers the present budget sufficient to support the Senior Escort Program, as the Program was intended, and (2) the Police Department has not indicated any need for additional supplemental appropriations. Ms. Teresa Serata of the Mayor's Office confirms that the Police Department has not submitted a request for an additional $290,000 supplemental appropriation for the Senior Escort Program.

According to Ms. Serata, the Mayor's Office believes that the Senior Escort Program can be maintained at the currently budgeted level for the balance of Fiscal Year 1993-94. However, Ms. Serata reports that the Mayor's Office will reexamine the Senior Escort Program for fiscal year 1994-95, at which time adjustments may be made in the Program's budget. Furthermore, Ms. Serata reports that she will be discussing this issue with the Mayor prior to the January 26, 1994 Budget Committee meeting and she will be available at the Budget Committee meeting to provide the Committee members with additional comments and to respond to any questions.

Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR - ACTION TAKEN

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PUBLIC LIBRARY

BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 2, 1994 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO FOR ITEM #3

CLERK: MARY L. RED

1. File 100-94-3. [Projected Budget Shortfall, FY 94/95] Hearing to consider the Joint Report of the Controller's Office, Mayor's Office and the Budget Analyst on the projected Budget Shortfall for Fiscal Year 1994/1995. (Supervisor Hsieh)

   ACTION: Hearing held. Consideration continued to call of the chair.

2. File 69-94-1. ["Zero Base" Budget Analysis] Motion directing the Clerk of the Board of Supervisors to submit a supplemental appropriation to the Mayor for funds necessary to do a "zero base" budget analysis of the General Fund budget of the City and County of San Francisco. (Supervisors Hsieh, Alioto, Migden, Maher, Shelley, Leal)

   ACTION: Hearing held. Amended on line 3 by replacing "funds necessary" with "$225,000"; on line 9 by replacing "the necessary funds" with "$225,000"; and on line 11 by adding "consistent with the February 2, 1994, report and attachments addressed to the Budget Committee by the Budget Analyst, and that a report by the Budget Analyst to the Budget Committee is due by April 30, 1994."
   New title: "Motion directing the Clerk of the Board of Supervisors to submit a supplemental appropriation to the Mayor for $225,000 to do a "zero base" budget analysis of the General Fund budget of the City and County of San Francisco." RECOMMENDED AS AMENDED

3. File 127-94-1. [Firearms and Ammunition Business Tax] Ordinance amending Part III of the Municipal Code by amending Section 905-A to exclude businesses selling firearms and ammunition from the Small Business Exemption and amending Sections 1004.17, 1004.18 and 1005.3 to establish a new business classification for firearm and ammunition sales, to increase the tax rate for this classification from .3 percent to 3 percent as of January 1, 1994 and to exclude businesses with gross receipts from the sale of firearms and ammunition from eligibility for the Small Business Exemption. (Supervisor Migden)

   ACTION: Consideration continued to February 9, 1994.

4. File 97-94-1. [Ballot Pamphlet Materials] Ordinance amending Administrative Code by amending Sections 5.70, 5.71, 5.71-1, 5.73, 5.74.2, 5.74.3, 5.74.5, 5.74.6, 5.74.8, 5.74.9, 5.74.10, 5.75, 5.76, 5.78, 5.78.1 and 5.80 relating to the preparation of ballot pamphlet materials. (Supervisor Bierman) FISCAL IMPACT

(1/18/94, Hearing held in Rules Committee; Recommended as amended; transferred to Budget Committee for review within 30 days).

ACTION: Hearing held. RECOMMENDED.

5. File 98-93-2. [Budget Analyst to do Memorandum of Understanding] Motion amending the agreement between the Budget Analyst and the Board of Supervisors to provide that the Budget Analyst will provide a report to the Board on the estimated cost of each provision in Memoranda of Understanding submitted to the Board of Supervisors for approval. (Supervisor Kaufman)

ACTION: Hearing held. Amended on lines 3 and 11, after "the" insert "Budget Committee and to the", and after "Board" insert "of Supervisors". New title: "Motion amending the agreement between the Budget Analyst and the Board of Supervisors to provide that the Budget Analyst will provide a report to the Budget Committee and to the Board of Supervisors on the estimated cost of each provision in Memoranda of Understanding submitted to the Board of Supervisors for approval." RECOMMENDED AS AMENDED.

6. File 101-93-78. [Appropriation, Budget Analyst] Ordinance appropriating $9,300 from the general fund reserve to allow the Board of Supervisors to increase the professional services contract with the Budget Analyst for the review of Memorandums of Understanding for Fiscal Year 1993-94. (Controller)

ACTION: Hearing held. RECOMMENDED.

7. File 101-93-75. [Appropriation, SB 855 Disproportionate Share] Ordinance appropriating $1,421,450, San Francisco General Hospital, in Medi-cal, Medi-care and insurance revenues to adjust the City's participation in SB 855 Disproportionate Share Payment program for fiscal year 1993-1994; includes revenue transfer to the General Fund and SB 855 match in other non-personal services. (Supervisors Hsieh, Alioto)

ACTION: Hearing held. RECOMMENDED.

8. File 101-93-69. [Appropriation, Municipal Court] Ordinance appropriating $54,600, Municipal Court, for permanent salaries and fringe benefits for Fiscal Year 1993-94; providing for ratification of action previously taken; funded from Municipal Court salary savings; judges salary increase. RO #93190 (Controller)

ACTION: Hearing held. RECOMMENDED. (Supervisors Alioto, Bierman added as sponsors).

9. File 102-93-22. [Municipal Court/Salaries and Wages] Ordinance amending Annual Salary Ordinance, 1993-94, Municipal Court, to provide a salary increase for judges, commissioners and clerk administrator, effective January 1, 1994; companion measure to File 101-93-69. (Department of Human Resources)

   ACTION: Hearing held. RECOMMENDED. (Supervisors Alioto, Bierman added as sponsors).

10. File 101-93-73. [Appropriation, Dept. of Social Services] Ordinance appropriating $632,561, Department of Social Services, of federal and state revenues for an expanded GAIN program for Fiscal Year 1993-94; (includes seven positions, payments to non-profit service providers and GAIN clients, equipment and materials and supplies). RO #93195 (Controller)

    ACTION: Hearing held. Amendment of the Whole (reflecting Budget Analyst recommendations) adopted. New title: "Ordinance appropriating $547,900, Department of Social Services, of federal and state revenues for an expanded GAIN program for Fiscal Year 1993-94; (includes seven positions, payments to non-profit service providers and GAIN clients, equipment and materials and supplies)." RECOMMENDED AS AMENDED. (Supervisor Bierman added as sponsor)

11. File 102-93-23. [Department of Social Services/Add 7 Positions] Ordinance amending Annual Salary Ordinance, 1993-94, Department of Social Services, reflecting the addition of seven positions (Classifications 1426 Sr. Clerk Typist (1), 2914 Social Worker Supervisor (1), 2910/12 Sr. Social Worker (3) and 9702 Employment & Training Specialist (2); companion measure to File 101-93-73. (Department of Human Resources)

    ACTION: Hearing held. RECOMMENDED. (Supervisor Bierman added as sponsor)

12. File 101-93-58. [Appropriation, County Clerk/Recorder] Ordinance appropriating $57,632, Department of County Clerk/Recorder, for miscellaneous revenue, permanent salaries-miscellaneous and mandatory fringe benefits for the creation of two positions for Fiscal Year 1993-94, Recorder Indexing Project. RO #93152 (Controller)

    ACTION: Hearing held. Amended on lines 1, 13, 16, by replacing "$57,632" with "$40,304"; on line 14 by replacing "$47,632" with "$32,243"; on line 15 by replacing "$10,000" with "$8,061"; and on line 24 by replacing "N" with "L". New title: "Ordinance appropriating $40,304, Department of County Clerk/Recorder, for miscellaneous revenue, permanent salaries-miscellaneous and mandatory fringe benefits for the creation of two positions for Fiscal Year 1993-94, Recorder Indexing Project. RECOMMENDED AS AMENDED. (Supervisor Alioto dissenting)

13. File 102-93-24. [Recorder's Office/Add 2 Positions] Ordinance amending Annual Salary Ordinance, 1993-94, Recorder's Office, reflecting the addition of two positions (Classifications 8108 Sr. Legal Process Clerk and 1819 MIS Specialist III); companion measure to File 101-93-58. (Department of Human Resources)

ACTION: Hearing held. Amended on line 14 by replacing "N" with "L". Same title. RECOMMENDED. (Supervisor Alioto dissenting)

14. File 165-93-10. [Management Audit, Homeless Programs] Motion directing the Budget Analyst to conduct a comprehensive management audit of programs affecting the homeless administered by the City and County of San Francisco. (Supervisor Alioto)

ACTION: Hearing held. Amended on line 11 by adding "and that the desire of the Board of Supervisors is that this audit shall be conducted prior to any other pending audits previously authorized by the Board of Supervisors." Same title. RECOMMENDED AS AMENDED. (Supervisor Bierman added as cosponsor)

City Report

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 31, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: February 2, 1994 Budget Committee Meeting

Item 1 - File 100-94-3

This item is a hearing to consider the Joint Report of the Mayor, Controller, and the Budget Analyst on the projected budget shortfall for Fiscal Year 1994-95.

It is anticipated that the subject Joint Report will be issued on or before February 2, 1994 prior to the Budget Committee's meeting to be held on that date.

Item 2 - File 69-94-1

1. This item is a motion directing the Clerk of the Board to submit a supplemental appropriation to the Mayor for funds necessary to conduct a "Zero-Base" budget analysis of the General Fund Budget of the City and County of San Francisco.

2. The Budget Analyst has received direction on this proposed project from the Chair of the Budget Committee and met with the Mayor's budget staff to begin planning for this project. We have discussed the status of the Mayor's budget formulation process and alternative approaches to performing the Zero Base budget analysis.

3. Based on these discussions, the Budget Analyst has agreed to structure the Zero Base budget analysis in accordance with the following principles:

   - The most experienced and highly qualified staff of the firms comprising the Budget Analyst Joint Venture will be assigned to the project in order to assure a quality product within the time constraints of the 1994-95 budget consideration and approval process.

   - The Zero Base budget analysis will be directed, in general, toward the largest General Fund departments in order to focus staff resources in the most productive manner.

   - The Chair of the Budget Committee and the Mayor's Budget Director would receive status updates during the course of the Zero Base budget analysis.

   - All reports resulting from this review would be issued to the Board of Supervisors and the Mayor.

4. The table on the following page shows the General Fund and General Fund supported departments that have been selected for the Zero Base budget analysis. The total General Fund budget amounts for these departments represent 87 percent of net General Fund budgets for the entire City and County exclusive of debt service requirements, General Fund reserves and capital/facilities maintenance appropriations based on the current 1993-94 revised budget.

   The attachment to this report provides a discussion draft of the Budget Analyst's methodology, approach and task plan for performance of the Zero Base budget analysis. This plan is subject to further discussion and revision as appropriate.

General Fund Departments - 1994-95 Zero Base Budget Analysis

Department	1993-94 Revised General Fund Budget	Percent of General Fund Subtotal	Cumulative General Fund Budget Amount	Cumulative Percent of General Fund Subtotal
Police Department	$170,890,465	22.51%	$170,890,465	22.51%
Fire Department	108,251,962	14.26%	279,142,427	36.78%
MUNI Railway	100,868,782	13.29%	380,011,209	50.07%
Department of Social Services *	96,014,760	12.65%	476,025,969	62.72%
Sheriff	53,182,356	7.01%	529,208,325	69.72%
Community Mental Health	46,871,553	6.18%	576,079,878	75.90%
Community Public Health Services	36,442,615	4.80%	612,522,493	80.70%
San Francisco General Hospital	31,809,770	4.19%	644,332,263	84.89%
Superior Court	24,225,295	3.19%	668,557,558	88.08%
Juvenile Court	18,663,887	2.46%	687,221,445	90.54%
Municipal Court	18,661,157	2.46%	705,882,602	93.00%
Public Library	17,102,968	2.25%	722,985,570	95.25%
District Attorney	15,517,557	2.04%	738,503,127	97.30%
Public Defender	9,070,491	1.20%	747,573,618	98.49%
Assessor *	5,998,271	0.79%	753,571,889	99.28%
Laguna Honda Hospital	5,438,608	0.72%	759,010,497	100.00%
General Fund Subtotal	$759,010,497			

* Unlike other departments to be reviewed, analysis of the Department of Social Services and Assessor's Office would be limited in focus. The Department of Social Services review would focus largely on the General Assistance program, other General Fund expenditures and the impact of restructuring required by the State budget. The Assessor's Office review would focus on revenue producing opportunities.

5. The Budget Analyst is presently developing a detailed staff allocation plan, including the estimated number of professional staff hours required to complete this project. For purposes of the supplemental appropriation ordinance to be submitted to the Mayor, the amount for professional services should not exceed $225,000.

6. In the professional judgment of the Budget Analyst, a detailed Zero-Base budget analysis of the City's General Fund budget, should result in annual, ongoing savings to the City, significantly in excess of any one-time costs incurred.

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

Approach and Work Plan: Zero-Base Budget Analysis

Zero-base budgeting is an approach to budgeting that requires department heads and managers to justify their entire budget in detail. Key assumptions in the zero-base process are:

- ❑ Departments will not necessarily receive their prior year's appropriation level.
- ❑ Department budgets must be justified in their entirety.
- ❑ Existing programs, positions and levels of expenditure are not assumed to be justified; all existing expenditures and positions will be reviewed.
- ❑ Any proposed new programs, expenditures, and positions will be similarly reviewed.

Key features of zero-based budgeting are as follows:

- ❑ All programs, functions and activities are identified and the following reported for each:
  - Cost
  - Objectives
  - Actual performance measures
- ❑ In addition to a line-item analysis of costs, programs, functions and activities are analyzed in the following areas:
  - *Program effectiveness*: what is the impact of not funding the program?
  - *Program efficiency:* What are alternative methods of providing services? (e.g., consolidating with other departments)
  - *Preferred method:* Of the alternatives, what is the preferred method of providing services?
  - *Funding level:* What is the impact of varying the level of funding for the preferred method?
- ❑ Program, function and activity funding levels are ranked in order of priority.
- ❑ All program, function and activity managers are actively involved in the process.
- ❑ The approach is bottom up -- it starts with lower level managers and works its way up to the department head.

Scope and Objectives for Zero-Base Budget Review of City and County of San Francisco Budget

The objectives of the analysis are as follows:

- Reducing General Fund costs.
- Reallocating resources between programs in a more rational manner.
- Establishing objectives and measuring performance in each program area.
- Improving link between City's policy goals and programs.
- Collecting comprehensive information about program performance and costs.
- Developing measurements of program performance and effectiveness.
- Identifying alternative means of providing services.
- Developing comparative information on overhead costs between departments.
- Identifying currently budgeted costs which are no longer justified and should be considered for deletion from the budget.

Work Plan

The following 15 tasks would be performed for each department.

Task

1. *Initiate Project*

   Prepare descriptions and instructions for departments. Design forms and set calendar.

2. *Review Current Budget Documents*

   Review 1993-94 department budgets; gather information about programs and services from budget and other documents.

3. *Establish Target 1994-95 Budget*

   Collect and analyze most recent actual General Fund revenues and projections from Controller to determine target budget.

4. *Initial Meetings*

   Conduct group orientation meeting with department heads. Conduct individual meetings with department heads and managers of each department to be analyzed.

5. *Coordinate with Mayor's Office*

   Meet with Mayor's budget analysts and review programs and program costs as identified for the Mayor's 1994-95 budget. Collect list of mandated functions and service levels for each department, if available.

6. *Inventory Department Programs*

   Meet with department head or financial officer. Review organization chart and develop detailed inventory of programs, functions and activities. Verify mandated programs, functions and activities and service levels. Develop groupings of programs, functions and activities for purposes of analysis.

7. *Determine Costs of all Department Programs*

   Review all programs, functions and activities and, with department finance officer, identify current costs of each, including departmental overhead.

8. *Collect Key Operating Data about all Programs, Functions And Activities*

   Departments prepare and provide the following key information for each program, function and activity:

   - Objectives;
   - Performance measures;
   - 2 - 3 alternatives to current ways of performing functions (including discontinuation).

   Budget Analyst is available to assist departments in assembling this data. When completed, information is reviewed by Budget Analyst and clarification or supplementary information is collected if needed.

9. *Preferred Alternative Selected and Impact of Various Funding Levels Identified*

   Departments select preferred alternative means of performing functions and determine impact of various levels of effort and funding for each (e.g., 80%, 100%, 110% funding). Departments provide brief descriptions of how benefits

of programs, functions and activities would be altered by changes in level of funding. Information is reviewed by Budget Analyst.

10. *Department Ranking of Programs, Functions And Activities*

Departments review and rank all of their programs, functions and activities in priority order. Ranking should be based on:

- Do the program, function or activity benefits exceed costs?
- Does the program, function or activity provide mandated services?
- Is the program, function or activity a core department service (e.g., police patrol)?
- Does the program provide marginal or low benefits?
- Does the program provide services consistent with adopted City policy?

Budget Analyst assists, as needed.

11. Budget Analyst Reviews Consolidated Department Budget And Programs, Functions and Activity rankings

Consolidated department budgets are transmitted to the Budget Analyst for review. Budget Analyst conducts independent assessment of departments' programs, alternative methods of performing functions, and impacts of modified funding levels. Budget Analyst develops other alternatives and rankings, as appropriate. These independent assessments are coordinated with departments.

12. *Exit Conferences with Departments*

Budget Analyst presents recommended budget to departments and conducts exit conferences to obtain feedback on any differences in recommended funding levels, rankings, or means of performing functions.

13. *Recommendations Transmitted to Mayor's Office*

A final consolidated department budget and Budget Analyst recommendations will be presented to the Mayor's Office. Differences between department and Budget Analyst alternatives and rankings are highlighted. This information will be presented in sufficient time to enable the Mayor's Office to include any recommendations in the Mayor's budget.

14. *Presentations to the Board of Supervisors*

The final results of the analysis will be presented to the Board of Supervisors after review by the Mayor's Office and will identify any differences between Budget Analyst recommendations, the departments, and the Mayor's Office.

15. *Ongoing Progress Meetings*

Regular progress meetings will be held with the Chair of the Budget Committee and the Mayor's Office to update them on project progress.

Project Timing

The project would begin as soon as possible and end by late April/early May in time for the final recommendations to be reviewed and incorporated into the Mayor's recommended budget.

Memo to Budget Committee
February 2, 1994

Item 3 - File 127-94-1

1. The proposed ordinance would amend Part III of the San Francisco Municipal Code by amending Section 905-A of Article 12A to (a) exclude businesses selling firearms and ammunition from the Small Business Tax exemption and (b) amending Sections 1004.17, 1004.18 and 1005.3 of Article 12-B to establish a new business classification for firearm and ammunition sales, to increase the Gross Receipts tax rate for this classification from 0.3 percent to three percent as of January 1, 1994.

2. Currently, businesses that sell firearms and ammunition are eligible for the City's Small Business Tax exemption. The Small Business Tax exemption is applied to those businesses whose Gross Receipts and/or Payroll Tax liability does not exceed $1,000 resulting in the businesses not having to pay any business taxes to the City. The proposed ordinance would exclude businesses that sell firearms and ammunition from the Small Business Tax exemption. According to various governmental lists provided by the Police Department, there are 71 businesses licensed to sell firearms and ammunitions in San Francisco. Of these 71 businesses, the Tax Collector's Office identified 22 that sell firearms and ammunition and are registered businesses with the Tax Collector's Office. Only one business in San Francisco sells firearms and ammunition exclusively. The Tax Collector's Office advises that the remaining 49 businesses licensed to sell firearms and ammunition may not be currently operating as a business in the City.

3. In FY 1992-93, 10 of the 22 businesses qualified for the City's Small Business Tax exemption. Excluding these ten businesses from the Small Business Tax Exemption and under the proposed Gross Receipts Tax rate increase, the Tax Collector's Office estimates that Gross Receipts Tax revenues would increase by approximately $136,000.

4. Currently, businesses that sell firearms and ammunition are classified as Retail Sales and pay a 0.15 percent Gross Receipts Tax rate or $15.00 for the first $10,000 of gross receipts and $1.50 for each additional $1,000 of gross receipts. The proposed ordinance would establish a new business classification for firearm and ammunition sales and increase the Gross Receipts Tax rate from 0.15 percent to three percent or $300 tax on the first $10,000 of gross receipts and $30 for each additional $1,000 of gross receipts.

5. Of the remaining 12 businesses (22 total businesses minus 10 with Small Business Tax exemptions) that are licensed to sell firearms and ammunition and are registered businesses, the Tax Collector has tax payment history on six. Of these six businesses, one pays the Gross Receipts Tax and the other five businesses pay the Payroll Tax. According to the City's Administrative Code, businesses pay either the City's Payroll Tax or the City's Gross Receipts Tax, whichever is higher. The Tax Collector's Office reports that increasing the Gross Receipts Tax rate to three percent could cause the five businesses that currently pay the Payroll Tax to pay the Gross Receipts Tax. Based on that assumption, the Tax Collector estimates that the proposed Gross Receipts Tax rate increase would result in approximately $250,000 annually in additional Gross Receipts Tax revenues.

However, the estimated $250,000 does not include additional Gross Receipts Tax revenues associated with the six businesses for which the Tax Collector does not have tax payment history. Four of these six businesses are new and the other two are delinquent in paying the City's Payroll Tax. Based on the four businesses reported expected Gross Receipts, the Tax Collector estimates an additional $22,000 in Gross Receipts Tax revenues associated with the proposed Gross Receipts Tax rate increase for a total of $272,000 in additional Gross Receipts Tax revenues.

6. According to the proposed ordinance, any business that engages in firearms and ammunition sales would be classified as Firearms/Ammunition Sales. Thus, any business that includes firearms and ammunition as even a minor part of its inventory would be required to pay the proposed increased Gross Receipts Tax on all sales. For example, sporting goods stores that sell hunting rifles would pay the increased tax on the sale of a basketball. As previously noted, only one business in San Francisco sells firearms and ammunition exclusively. As a result, the $272,000 estimated additional revenue associated with the proposed Gross Receipts Tax rate increase includes non-firearm or ammunition sales. Further, the $272,000 revenue estimate assumes that those businesses whose firearm and ammunition sales constitute a portion but not all of their total sales will continue to sell firearms and ammunition after their Gross Receipts Tax has increased from .15 percent to three percent.

Comments:

1. The Tax Collector's Office reports that it should be able to implement the proposed ordinance using existing resources. However, the Tax Collector's Office advises that should the proposed ordinance be amended to increase the Gross Receipts Tax on firearms and ammunition sales only, the Tax Collector's Office may require additional resources.

2. In sum, the proposed ordinance could result in up to $408,000 of additional Gross Receipts Tax revenues (maximum of $136,000 related to excluding firearms and ammunition businesses from the Small Business Tax exemption and approximately $272,000 related to the Gross Receipts Tax rate increase).

3. However, it should be noted that if the proposed ordinance is approved, many businesses may discontinue selling firearms and ammunition to avoid the Gross Receipts Tax rate increase on all sales. The number of businesses that would discontinue selling firearms and ammunition and therefore the amount of revenues that would be reduced cannot be determined at this time. As such, the estimated $408,000 increased Gross Receipts Tax revenues would most likely not be fully realized.

Recommendation:

The proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 97-94-1

Note: This item was transferred from the Rules Committee at their January 14, 1994 meeting to the Budget Committee for Fiscal Impact.

Department: Registrar of Voters

Item: Ordinance amending Article VIII, Sections 5.70, 5.71, 5.71-1, 5.73, 5.74.2, 5.74.3, 5.74.5 through 5.74.10, 5.75, 5.76, 5.78, 5.78.1 and 5.80 of the City's Administrative Code relating to the preparation of ballot pamphlet materials.

Description: The proposed ordinance would amend Article VIII of the City's Administrative Code concerning ballot pamphlet materials with the following specific amendments:

Section 5.70: Of the two appointments by the Mayor to the Ballot Simplification Committee, one member will be appointed from names submitted by The Northern California Newspaper Guild, instead of the current American Newspaper Guild. Of the three appointments by the Board of Supervisors to the Ballot Simplification Committee, one member will be appointed from names submitted by the Northern California Chapter of the National Academy of Television Arts and Sciences, instead of simply the National Academy of Television Arts, one member will be appointed from names submitted by the Northern California Broadcasters Association, instead of the California Association of Broadcast Editorial Directors and one member will be appointed from names submitted by the San Francisco Chapter of the League of Women Voters, instead of simply the League of Women Voters.

According to Mr. Greg Ridenour of the Registrar of Voters Office, these changes reflect the current correct names of the organizations.

Section 5.71: This Section addresses the powers and duties of the Ballot Simplification Committee. The proposed ordinance would require this Committee to assist the Registrar of Voters in preparing additional materials, as opposed to the current language which requires the Committee to prepare the materials with the assistance of the Registrar of Voters. In addition the proposed ordinance would require that no later than two days after certifying that an initiative petition has received sufficient signatures to qualify for submission to the voters, the Registrar of Voters, in consultation with the City Attorney's Office, shall forward the ballot measure to those departments which the Registrar believes are most

appropriate for determining the effect of the ballot measure on current law and practices. Within five working days, these City departments must transmit to the Committee a concise analysis of the effect of the ballot measure on current law and practices, including whether the affected law was previously adopted by the voters. If the petition is submitted more than 120 days before the election, the Registrar may increase the time City departments have to transmit their analyses.

Mr. Ridenour reports that this change reflects actual current practice. The proposed language would however, establish a formal procedure for obtaining City department input and include specific timeframes for the departments to formally respond. Mr. Ridenour does not anticipate that this would require significant additional work for the individual City departments, since this procedure would only apply to initiative petitions. Mr. Ridenour estimates there are approximately two to three initiative petitions per election.

Section 5.71-1: The proposed ordinance would require the Ballot Simplification Committee to give advance notice of their meetings to persons who have notified the Registrar of Voters regarding their interest in the ballot measure.

Mr. Ridenour reports that this change formalizes the actual current practice.

Section 5.74.2: Requires that any organization submitting an argument must clearly indicate whether it wishes the name of the officer submitting the argument to be printed as part of the argument, the signed consent of persons represented as supporting or endorsing the views expressed in an argument must be submitted to the Registrar and any persons and titles listed after the argument are included in the 300 word limit.

Mr. Ridenour reports that this language is intended to clarify procedures for submitting ballot arguments.

Section 5.74.5: Deletes any preference for a free ballot argument for a bona fide association of citizens that has filed as a campaign committee in support of the measure for arguments supporting or opposing a measure.

According to Mr. Ridenour, because groups can easily file as a campaign committee with the Secretary of State, the proposed deletion would provide the same preference to any association of citizens to place a supporting or opposing ballot argument. If more than one group submits a ballot argument,

a lottery would be used by the Registrar to determine which group's argument would appear without charge.

Section 5.74.6: Would enable the author of a direct ballot argument to assign to another person the right to submit a rebuttal argument.

This provision is intended to clarify existing practice.

Section 5.74.8: Would require that the full cost of processing and printing the ballot argument in the ballot handbook, as estimated by the Registrar, to be paid to the Registrar.

See Comment 3.

Section 5.74.10: Instead of paying to submit a ballot argument, the proponents may collect a number of signatures, depending on the length of the argument, to waive the fees. If there is a deficiency in the number of signatures submitted, after the close of the period for submission of arguments, the proposed ordinance would enable the proponent, within 24 hours of being notified by the Registrar, to pay an amount sufficient to cure the deficiency or the Registrar would not publish the argument. If the Registrar does not publish the argument, the Registrar will reimburse the proponent for any payment previously made.

According to Mr. Ridenour, the proposed change would simplify the current procedures.

Section 5.76: Permits the proponent of a ballot argument to submit a revised argument within 24 hours after receiving notice from the Registrar that an argument does not comply with the requirements.

Mr. Ridenour reports that this revised procedure will assist proponents in correcting their ballot arguments.

Sections 5.73, 5.74.3, 5.74.9, 5.75, 5.77.2, 5.78 and 5.80 Makes minor typographical, section number or reorganizational changes. Requires that arguments and the format of the ballot pamphlet (subject to approval of the Ballot Simplification Committee) be determined by the Registrar of Voters rather than specifying the detailed format in the ordinance .

Comments:

1. The Ballot Simplification Committee is a five-member appointed committee which is responsible for preparing the 300 word analysis of each proposed local ballot measure for

the voter handbook. Although the Committee has not met to take a position on the proposed ordinance, Mr. Nicholas DeLuca, the Chair of the Ballot Simplification Committee supports the proposed ordinance.

2. Mr. Ridenour reports that the proposed changes were initiated by the Registrar of Voter's Office, as a follow-up to Proposition U in 1993, which updated the Charter provisions related to election procedures. According to Mr. Ridenour, the proposed changes would update the City's Administrative Code, in conformity with the State Elections Code.

3. Under the current ordinance, the Registrar of Voters is only permitted to recover the cost of printing the arguments in the ballot handbook, as estimated by the Registrar. As discussed above, the proposed ordinance would enable the Registrar to recover the full cost of processing and printing the arguments in the ballot handbook, as estimated by the Registrar. The official proponent and the official opponent of a ballot measure do not pay to submit their ballot arguments. The proposed fee schedule would apply to anyone else who wishes to submit a ballot argument in support or opposition.

The Registrar currently charges a base fee of $200 and $2 per word, up to a maximum of $800 per argument. However, Mr. Ridenour reports that the Registrar offers various discounts, such as if the argument is submitted one day early ($50 reduction in fees), if the argument is submitted four days early ($150 reduction in fees), if the argument is submitted on a floppy computer disk ($50 reduction in fees), if the argument is submitted on the correct form ($25 reduction in fees). According to Mr. Ridenour, although it varies by the size of the handbook, it costs approximately $180,000 to print each voter handbook, of which approximately one-third are ballot arguments. The Registrar currently recovers approximately $50,000 per election from the ballot argument fees. Mr. Ridenour reports that if the fees were increased to also recover the cost of processing the ballot handbook arguments, which would include typesetting, translating and mailing costs, Mr. Ridenour estimates that the total costs could be up to approximately $500,000, of which approximately one-third or up to $165,000 would be attributable to ballot arguments. Based on these estimates, approximately an additional $115,000 of fee revenue could be collected ($165,000 in costs less $50,000 currently recovered).

4. According to Mr. Ridenour, although the proposed legislation would give the Registrar the authority to increase fees to recover processing costs, the Registrar of Voters does

not currently anticipate changing the present fee structure. Mr. Randy Riddle of the City Attorney's Office reported that any change in these fees does not currently require the Board of Supervisors review or approval. As a result, the Rules Committee amended Section 5.74.8 of the proposed ordinance to require that any subsequent changes to the Registrar of Voters fee structure be submitted to the Board of Supervisors for review and approval.

Recommendation: Approval of the proposed amended ordinance is a policy matter for the Board of Supervisors.

Items 5 and 6 - Files 98-93-2 and 101-93-78

Department: Board of Supervisors

Items: Motion amending the agreement between the Budget Analyst and the Board of Supervisors to provide that the Budget Analyst will provide a report to the Board on the estimated cost of each provision in Memoranda of Understanding submitted to the Board of Supervisors for approval (File 98-93-2).

Supplemental appropriation ordinance of $9,300 to increase the professional services contract with the Budget Analyst for the review of Memoranda of Understanding for fiscal year 1993-94 (File 101-93-78).

Amount: $9,300

Source of Funds: General Fund Reserve

Description: The proposed motion would amend the agreement between the Board of Supervisors and the Budget Analyst for the provision of reports concerning all City Memoranda of Understanding that are submitted to the Board of Supervisors for approval. The existing agreement between the Board of Supervisors and the Budget Analyst extends through December 31, 1995. The proposed supplemental appropriation for $9,300 would fund the costs for these additional services for the remainder of fiscal year 1993-94. The proposed motion also authorizes and directs the Clerk of the Board to take all necessary administrative steps to carry out the intent of this motion.

Comments: 1. Historically, the Budget Analyst has not reported on all MOUs that are submitted to the Board of Supervisors for review and approval.

2. The Budget Analyst notes that there have been no staffing increases in the Budget Analyst's Office since October 2, 1979. The Budget Analyst has absorbed over $516,849 of costs by providing approximately 21 percent of additional hours, without compensation, to the Board of Supervisors during the past two years, as follows:

Calendar Year	Hours Required	Hours Expended	Overage in Hours	Percentage of Hours' Overage	Cost Absorbed by Budget Analyst ($66.43 per hour)
1992	18,255	22,377	4,122	22	$273,825
1993	18,255	21,915	3,660	20	$243,024
Total	36,510	44,292	7,782	21	$516,849

3. As previously noted, the existing agreement between the Board of Supervisors and the Budget Analyst extends through December 31, 1995. Therefore, in accordance with the proposed motion, the Budget Analyst's review and analysis of MOUs would be included in the remaining period of the Budget Analyst's agreement. The proposed motion directs the Clerk of the Board to take all necessary administrative steps to carry out the intent of this motion. The Clerk of the Board has indicated that an additional fixed amount would be added to the Budget Analyst's contract. According to Mr. Carl Bunch of the Employee Relations Division (ERD), during an average year, there are approximately 20 MOUs, including mid-year amendments to MOUs, that are negotiated and require Board of Supervisors approval. The Budget Analyst estimates that during an average year, it would require 400 to 800 hours of additional Budget Analyst work, at an annual cost of $26,572 to $53,144.

4. On December 20, 1993, the Board of Supervisors approved a motion (File 69-93-2) directing the Clerk of the Board to submit a request for a supplemental appropriation to the Mayor to cover the cost for the remainder of fiscal year 1993-94 of the Budget Analyst's review of Memoranda of Understanding (MOU), which are submitted to the Board of Supervisors for approval. The Clerk of the Board submitted such a request for a supplemental appropriation for $9,300 from any legally available funds to the Mayor's Office.

5. The Budget Analyst estimates that it will cost $9,300 for their Office to review, analyze and report on the approximately seven remaining MOUs and amendments to MOUs that will be brought before the Board of Supervisors for review and approval during the remainder of fiscal year 1993-94.

Recommendation: Approval of the proposed motion and ordinance are policy matters for the Board of Supervisors.

Item 7 - File 101-93-75

Department: Department of Public Health (DPH), San Francisco General Hospital (SFGH)

Item: Supplemental Appropriation Ordinance appropriating $1,421,450 in Medi-Cal, Medicare and insurance revenues to adjust San Francisco General Hospital's participation in the SB 855 Disproportionate Share Payment Program for fiscal year 1993-94, and transferring the revenues to DPH, Community Health Services, Other Non-Personal Services.

Amount: $1,421,450

Source of Funds:

Medi-Cal revenues	$999,400
Medicare revenues	300,000
Insurance revenues (patient health insurance)	122,050
Total	$1,421,450

Description: Senate Bill 855 (SB 855) established a Payment Adjustment Program that provides a mechanism for additional supplemental payments to the State's disproportionate share hospitals, such as SFGH. A disproportionate share hospital is defined as a hospital with a Medi-Cal inpatient and indigent utilization rates higher than the State average. Under this Payment Adjustment Program, the City is required to make a transfer of funds to the State Department of Health Services (SDHS). The State obtains matching Federal funds to the transferred funds and the transferred funds plus the matching Federal funds are then distributed back to SFGH as Medi-Cal revenues based on Medi-Cal patient days of services. The amount that the City must transfer to the SDHS is based on a statutory formula. (A supplemental appropriation ordinance appropriating $20,000,000 in Medi-Cal revenues to allow SFGH to participate in the SB 1255 Disproportionate Share Program (File 101-93-72) through the California Medical Assistance Commission is currently pending before the Board of Supervisors.). The SB 1255 Disproportionate Share Program is a separate program from the SB 855 Disproportionate Share Program which is the subject of this report.

The DPH was previously scheduled to transfer a total of approximately $54 million to the State for 1993-94 based on the State's formula and expects to receive approximately $82.6 million back from the State. Based on a City transfer of $54 million and a return from the State of a total of $82.6 million, the City is realizing a net gain of an estimated $28.6 million or

53 percent. The $54 million is appropriated in SFGH's 1993-94 budget.

The DPH advises that the State has now revised their allocation of SB 855 Medi-Cal revenues for FY 1993-94, which will require that the City transfer an additional $1,421,450 to the State for FY 1993-94, bringing the total amount to be transferred to the State to approximately $55.4 million. This revision was made necessary by Assembly Bill 1041 (AB 1041) and Senate Bill 456 (SB 456), which were recently passed into law. The net result of the adjustments that were required by AB 1041 and SB 456 is that the City will receive $999,400 in Medi-Cal revenue in return for the $1,421,450 additional transfer, which results in net reduced revenues of $422,050. The DPH advises that it expects to completely cover such reduced revenues by increased Medi-Cal and Medicare patient revenues. The DPH notes that FY 1993-94 will be the only year in which the SB 855 funding will require adjustment as a result of the passage of AB 1041 and SB 456.

Even with such reduced revenues of $422,050, it should be noted that with the previously noted net gain of $28.6 million realized by the City, the SB 855 Disproportionate Share Payment Program would still result in a net gain to the City of an estimated $28.2 million ($28.6 million less $422,050).

Recommendation: Approve the proposed ordinance.

Items 8 and 9 - Files 101-93-69 and 102-93-22

Department: Municipal Court

Items: Supplemental appropriation ordinance for permanent salaries and mandatory fringe benefits for Fiscal Year 1993-94, providing for ratification of action previously taken (File 101-93-69).

Ordinance amending the FY 1993-94 Annual Salary Ordinance to provide a salary increase for judges, commissioners, and the clerk administrator in the Municipal Court, effective January 1, 1994 (File 102-93-22).

Amount: $54,600

Source of Funds: Municipal Court Excess Salary Savings

Description: The proposed supplemental appropriation ordinance (File 101-93-69) would fund increases in permanent salaries and mandatory fringe benefits for the subject classifications for the period January 1, 1994, through June 30, 1994. The Municipal Court has designated excess salary savings within the Department as the source of funding for the increases.

The proposed ordinance (File 102-93-22) would amend the FY 1993-94 Annual Salary Ordinance (ASO) to provide salary increases for the classifications and in the amounts shown below.

Classification and Title	Current Rate Biweekly	New Rate Biweekly	No. of Positions	Amt. of Increase
Municipal Court Judge 0200	$3,474.33	$3,648.05	20	$44,828
Bail Commissioner 0215	2,953.10	3,100.84	1	1,905
Commissioner 0255	1,910.80-2,779.31	2,006.34-2,918.28	3	5,379
Clerk Administrator 0210	3,187.59-3,439.73	3,187.59-3,547.24	1	1,387
Permanent Salaries				$53,499
Mandatory Fringe Benefits				1,101
Total				$54,600

Judicial salaries are governed by Section 68203 of the California Government Code. The annual salary of a Municipal Court judge was increased by five percent to $95,214 from $90,680 effective January 1, 1994. The last previous increase for Municipal Court judges was in 1991.

Salaries of the other listed positions are also governed by California Government Code sections and are tied to the salaries of Municipal Court judges. Mr. Gordon Park-Li of the Municipal Court reports that the proposed salary increase for the 0210, Clerk Administrator position is zero at Step One and 3.126 percent at Step Three (the top Step) because (a) a Municipal Court policy providing that the Clerk Administrator position cannot be closer than within one percent of the salary for Municipal Court judges, and (b) the need to maintain the proper salary ranges between the various clerk positions within the Department.

Comments: Mr. Park-Li reports that although the State has increased the salaries of Municipal Court Judges effective January 1, 1994, the City's Municipal Court Judges will not receive the new rate until the Annual Salary Ordinance is amended to reflect the increase. According to Mr. Park-Li, any salary increases not paid from January 1, 1994, will be paid in arrears upon (a) adoption of the amended Annual Salary Ordinance and (b) approval of the companion supplemental appropriation ordinance, which provides for approval of an action previously taken.

Recommendation: Approve the proposed ordinances.

Items 10 and 11 - Files 101-93-73 and 102-93-23

Department: Department of Social Services

Items: Supplemental appropriation ordinance appropriating $632,561 of Federal and State revenues for an expanded Greater Avenues for Independence (GAIN) Program at the Department of Social Services for Fiscal Year 1993-94 (includes seven positions, payments to non-profit service providers and GAIN clients, equipment and materials and supplies).

Ordinance amending the FY 1993-94 Annual Salary Ordinance, Department of Social Services, reflecting the addition of seven positions, including classifications 1426 Senior Clerk Typist (one), 2914 Social Worker Supervisor (one), 2912 Senior Social Worker (three), and 9702 Employment and Training Specialist (two).

Amount: $632,561

Source of Funds:

Federal GAIN funds:	$292,628
State GAIN funds:	339,933
TOTAL	$632,561

Description: The proposed supplemental appropriation ordinance (File 101-93-73) would fund an expansion of the GAIN Program. The GAIN Program provides education and training to parents receiving Aid to Families with Dependent Children (AFDC). The objective of the GAIN Program is to reduce State and Federal costs for AFDC. To reduce AFDC costs further, the State and Federal governments have made additional funds available to counties to expand the GAIN Program.

This proposed supplemental appropriation ordinance would appropriate $292,628 in additional Federal funds and $339,933 in additional State funds to support an expansion of the GAIN Program. Through the allocation of additional Federal and State funding to expand the GAIN program, it is expected that reduced costs would result in that the persons who participate in the GAIN program should acquire job skills and education that enable them to be self-supporting and terminate their public assistance.

The proposed ordinance (File 102-93-23) would amend the FY 1993-94 Annual Salary Ordinance (ASO) to add seven new positions, as follows:

Classification and Title	No. of Positions	Biweekly Salary Range	Annual Salary at Top Step
1426 Sr. Clerk Typist	1	$1,073-1,298	$33,878
2914 Social Worker Supervisor	1	1,618-1,965	51,287
2912 Senior Social Workers	3	1,401-1,698	132,957
9702 Employment & Training Specialist	2	1,273-1,543	80,544
Total	7		$298,666

Budget: The following budget provides specific cost details regarding the proposed expansion to the GAIN Program.

Personnel	FTE		
1426 Sr. Clerk Typist	1	$14,278	
2914 SW Supervisor	1	21,615	
2912 Senior Social Worker	3	56,034	
9702 Emp. & Train. Spec.	2	33,946	
Total Salaries	7	$125,873	
Fringe Benefits @ approximately 20.6%		25,990	
Total Personnel Costs			$151,863
Service Contracts			
Children's Council of San Francisco (child care payments for 200 clients @ $1,300 ea. over six months)		$260,000	
State Employee Development Department (supports one Job Club for 20 to 30 participants, including supervised job search, resume writing)		15,000	
San Francisco Community College District (testing and educational counseling for 255 additional participants)		14,322	
Total Service Contracts			289,322
Materials and Supplies			
Vocational Library		1,000	
Career Videos		2,600	
Total Materials and Supplies			3,600

GAIN Client Payments (ancillary services such as transportation, books, uniforms and tools, at an average cost of $310 for 255 participants)		$79,050
Equipment Purchase		
5 DEC Terminals @ $513	$2,565	
1 DEC Laser printer	3,600	
3 PCs with monitor @ $2,500	7,500	
3 Printers @ $1,400	4,200	
1 Cable and connectors	200	
Software	6,000	
Total Equipment		24,065
TOTAL EXPENDITURES		$547,900

Comments:

1. No County match is required to receive these additional Federal and State funds.

2. The contracts with the Children's Council of San Francisco, the State Employee Development Department, and the San Francisco Community College District represent expansions of existing contracts previously approved by the Board of Supervisors. The Children's Council of San Francisco is a non-profit organization. The State Employee Development Department and the San Francisco Community College District are government agencies.

3. According to the Electronic Information Processing Steering Committee (EIPSC), the Department of Social Services has received EIPSC approval for the proposed equipment purchases of $24,065.

4. The total budget for this proposed expansion of the GAIN Program is $547,900. This supplemental appropriation request is in the amount of $632,561. Therefore, the proposed supplemental appropriation ordinance should be amended to reduce the amount by a total of $84,661, from $632,561 to $547,900.

Recommendation:

Amend the proposed supplemental appropriation ordinance to reduce Salaries by $68,658 from $194,531 to $125,873 and Fringe Benefits by $16,003 from $41,993 to $25,990, a total reduction of $84,661 ($68,658 plus $16,003), and approve, as amended.

Memo to Budget Committee
February 2, 1994 Budget Committee Meeting

Items 12 and 13 - Files 101-93-58 and 102-93-24

Department: County Clerk/Recorder

Items: Item 12, File 101-93-58 - Supplemental Appropriation Ordinance appropriating $57,632 for permanent salaries miscellaneous and mandatory fringe benefits for the creation of two positions for the County Clerk/Recorder for fiscal year 1993-94.

Item 13, File 102-93-24 - Ordinance amending the Annual Salary Ordinance, 1993-94 to reflect the addition of two positions in the County Clerk/Recorder's Office.

Amount: $57,632

Source of Funds: Increased Recording Fees

Description: Mr. Bruce Jamison, County Clerk/Recorder, reports that Assembly Bill 130 (AB 130), which went into effect on January 1, 1994, authorizes County Clerk/Recorders to increase fees in order to support mandated services under the law. Under AB 130, in order to increase fees, County Clerk/Recorders must guarantee they will keep their offices open during regular business hours except for judicial and legal holidays and that they will keep their general index updated within two business days of a document being recorded. The general index includes the various documents, papers, and notices recorded by the County Clerk/Recorder. In order to comply with keeping the general index updated within two business days of a document being submitted for recording, the County/Clerk Recorder is proposing to hire two new staff persons. The County/Clerk Recorder currently keeps its Office open during regular business hours except for legal holidays.

Previously under State law, the County Clerk/Recorder was authorized to charge a $1.00 recording fee for every document filed to defray the cost of converting the County Clerk/Recorder's document storage system to micrographics. AB 130 now provides that in addition to this $1.00 recording fee, the County Clerk/Recorder may also charge a per document fee of $2.00 when the County Clerk/Recorder (1) keeps its Office open to the public during regular business hours except for legal holidays and (2) keeps its general index updated within two business days of a document being submitted for recording.

The proposed ordinance to amend the 1993-94 Annual Salary Ordinance (File 102-93-24) would create two new positions in the County Clerk/Recorder's Office as follows:

Classification/Title	No. of Positions	Bi-Weekly Salary	Maximum Salaries At Top Step
8108 Senior Legal Process Clerk	1	$1,120/ 1,355	$35,366
1819 Management Information Systems Specialist III	1	$1,899/ 2,309	60,265
Total			$95,631

The proposed supplemental appropriation (File 101-93-58) would provide funding for the proposed two new positions for the period January 1, 1994 through June 30, 1994 as follows:

Personnel

Senior Legal Process Clerk	$17,615
Management Information Systems Specialist III	30,017
Subtotal	$47,632
Fringe Benefits (21%)	10,000
Total	$57,632

Comments:

1. The Board of Supervisors previously approved legislation (File 97-93-62) amending the Administrative Code to authorize the collection of the additional $2.00 recording fee pursuant to AB 130.

2. Mr. Jamison advises that the estimated annual revenues to be generated by the County Clerk/ Recorder's Office based on the $1.00 recording fee is approximately $200,000. Mr. Jamison reports that the estimated annual additional revenue which would be generated by increasing the recording fee by $2.00 from $1.00 to $3.00, in accordance with AB 130, would be approximately $400,000, bringing the total estimated amount of such annual revenues to approximately $600,000. The estimated additional annual revenue of $400,000 is $280,462 more than the $119,538 ($95,630 salaries plus $23,908 fringe benefits) cost to pay for the proposed two new positions on an annual basis, including fringe benefit costs and operating costs related to the two positions.

3. The proposed salary amounts of $17,615 and $30,017 for the Senior Legal Process Clerk and the Management Information Systems Specialist III respectively are based on these positions being filled by January 1, 1994. The County Clerk/Recorder now advises that the earliest that these positions could be filled is March 1, 1994. As such, the actual salary amount required for the Legal Process Clerk is $11,924 or $5,691 less than the proposed amount of $17,615. Based on a total salary amount of $11,924, the fringe benefit amount required for this position would be $2,981, bringing the total amount required for this position to $14,905 for FY 1993-94. The actual salary amount required for the Management Information Systems Specialist III is $20,319 or $9,698 less than the proposed amount of $30,017. Based on a total salary amount of $20,319, the fringe benefit amount required for this position would be $5,080, bringing the total amount required for this position to $25,399 for FY 1993-94.

4. As noted above, the County Clerk/Recorder is proposing to hire two new staff persons in order to comply with AB 130 to increase revenues to the City. According to Mr. Jamison, currently the general index is maintained by four Senior Legal Process Clerks and is updated on average within 2.3 business days of a document being recorded.

5. Given that the County Clerk/Recorder is currently able to update the general index on average within 2.3 business days of a document being recorded, with the existing four Legal Process Clerks, the Budget Analyst believes that the proposed additional Legal Process Clerk position should be sufficient to enable the County Clerk/Recorder to meet the required turn around time of two business days. As such, the Budget Analyst recommends that the proposed Legal Process Clerk be approved and that the proposed Management Information Systems Specialist III position not be approved.

6. The County Clerk/Recorder does not agree with the Budget Analyst's recommendation not to approve the proposed Management Information Systems Specialist III position. According to Mr. Jamison, the Management Information Systems Specialist III is needed to supervise the indexing process and to maintain the computerized index system in order to ensure that the general index is updated within the required two business days and that the information included in the index is available within the same time frame to the public.

Recommendations: 1. Amend the proposed ordinance (File 101-93-158) to (1) reduce Permanent Salaries by $35,708 ($30,017 for the Management Information Specialist plus $5,691 for the Legal Process Clerk from $47,632 to $11,924 and (2) reduce Fringe Benefits by $7,019 from $10,000 to $2,981.

2. Amend the proposed ordinance (File 102-93-24) to delete the 1819 Management Information Systems Specialist III position.

3. Approve the proposed ordinances, as amended.

Memo to Budget Committee
February 2, 1994

Item 14 - File 165-93-10

Item: Motion directing the Budget Analyst to conduct a comprehensive management audit of programs affecting the homeless administered by the City and County of San Francisco.

Description: Based on discussions with staff of the Author's Office, the scope of the requested management audit is to determine and verify the following information:

- Source of funds for all homeless programs;
- Specification of expenditures for homeless programs;
- Identification of administrative and management responsibility for such programs; and
- An inventory of services provided by homeless programs administered by the City and County.

Comments: 1. Based on the scope described above, the Budget Analyst estimates that the proposed management audit would require 200 staff hours at an estimated cost of $13,286 at the Budget Analyst's current average hourly rate of $66.43.

Modification of the management audit scope described above could increase or decrease the time and cost required to complete the management audit.

2. The Mayor's Fiscal Advisory Committee (MFAC) is also performing a review of services to homeless persons and the expenditures associated with such services. The Budget Analyst has met with the MFAC representative responsible for this project and agreed to provide MFAC with advice and limited assistance during their independent review.

3. The Budget Analyst has performed two limited reviews of homeless services and expenditures, in 1988 and 1992. The last report on these matters, issued in December, 1992, is summarized in the table shown in Attachment 1 to this report. This report identified 1991-92 total primary services and indirect expenditure of approximately $34.3 million. Of this amount, approximately $19.3 million was paid from the City's General Fund.

4. Attachment 2 to this report is a table prepared by the Mayor's Budget staff in order to estimate 1993-94 expenditures for services to homeless persons. The Mayor's Office estimate identifies approximately $46.4 million in such expenditures.

5. The Mayor's estimated expenditures displayed in Attachment 2 were not accompanied by a written report detailing the basis of the estimates. The primary differences between the Budget Analyst's 1991-92 expenditure estimates and the Mayor's 1993-94 estimates are discussed below for each City department involved.

Department of Social Services

Budget Analyst 1991-92 Estimated Expenditures:	$8,279,238
Mayor's Office 1993-94 Estimated Expenditures	$21,412,221

The primary difference between these two estimates is that the Mayor's Office included approximately $12.4 million in General Assistance aid payments to an estimated homeless caseload of 3,000 individuals. The Budget Analyst's estimate did not include General Assistance aid payments for the caseload of estimated homeless persons because our report focused on direct services. Also, it is unknown as to whether or not homeless General Assistance recipients would continue to be eligible to receive aid payments if they were not homeless.

Sheriff

Budget Analyst 1991-92 Estimated Expenditures:	$346,420
Mayor's Office 1993-94 Estimated Expenditures	$29,420

The Budget Analyst's estimate is for expenditures to incarcerate homeless persons placed under arrest, usually for public intoxication or other misdemeanors. The Mayor's Office estimate is for eviction assistance provided by the Sheriff's Department, and includes no jail costs for incarceration of homeless persons.

Commission on Aging

Budget Analyst 1991-92 Estimated Expenditures:	$52,963
Mayor's Office 1993-94 Estimated Expenditures	$55,000

No material difference.

Mayor's Office of Community Development (MOCD)

Budget Analyst 1991-92 Estimated Expenditures:	$1,511,470
Mayor's Office 1993-94 Estimated Expenditures	$810,000

The Budget Analyst's estimate included a pro-ration of MOCD administrative costs and an emergency shelter grant included in the 1991-92 MOCD budget.

Mayor's Office of Housing (MOH)

Budget Analyst 1991-92 Estimated Expenditures:	$1,009,137
Mayor's Office 1993-94 Estimated Expenditures	$8,375,000

The Budget Analyst identified specific MOH programs directed to the homeless population in the 1991-92 MOH budget. The Mayor's estimate for 1993-94 is $8,375,000 for a "Supportive Housing Program."

Mayor's Criminal Justice Council

Budget Analyst 1991-92 Estimated Expenditures:	$94,292
Mayor's Office 1993-94 Estimated Expenditures	$94,213

No material difference.

Department of Public Health

Budget Analyst 1991-92 Estimated Expenditures:	$17,436,846
Mayor's Office 1993-94 Estimated Expenditures	$10,627,969

Significant differences in the two estimates are identified in the areas of Mental Health, Substance Abuse and the DPH's AIDS Office.

Juvenile Probation

Budget Analyst 1991-92 Estimated Expenditures:	$624,100
Mayor's Office 1993-94 Estimated Expenditures	0

The Budget Analyst included a 1991-92 contract and administrative costs for the Youth Advocates, Inc. Shelter Contract.

Indirect Services

Budget Analyst 1991-92 Estimated Expenditures:	$4,958,000
Mayor's Office 1993-94 Estimated Expenditures	$5,000,000

The Budget Analyst identified indirect expenditures in the Police Department, the DPH's San Francisco General Hospital Emergency Room, the DPH's Paramedics Division, the Recreation and Park Department, and the DPW's Bureau of Street Cleaning and Urban Forestry. Although the two estimates are virtually the same, the Mayor's Office estimate does not describe the City departments or services involved.

Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

Estimated Costs for Primary and Indirect Homeless Services, FY 1991-92

	FY 1991-92 Expenditures-All Funds	FY 1991-92 Expenditures-General Fund
ESTIMATED COSTS FOR PRIMARY SERVICES TO THE HOMELESS		
Mayor's Office		
Mayor's Homeless Coordinator	$23,710	$23,710
Mayor's Office of Community Development	1,511,470	
Mayor's Office of Housing	1,009,137	
Mayor's Office of Criminal Justice	94,292	
Subtotal	**$2,638,609**	**$23,710**
Department of Social Services	**8,279,238**	**8,279,238**
Department of Public Health		
Homeless Programs	4,290,052	2,131,730
Community Mental Health Services	3,187,770	1,023,568
Community Substance Abuse Services	6,777,772	1,069,769
AIDS Office	3,181,252	1,134,407
Subtotal	**17,436,846**	**5,359,474**
Juvenile Probation	**624,100**	**624,100**
Commission on the Aging	**52,963**	**0**
Sheriff	**346,420**	**346,420**
Total Estimated Costs for Primary Homeless Services	**$29,378,176**	**$14,632,942**
ESTIMATED COSTS FOR INDIRECT SERVICES TO THE HOMELESS		
Police Department	$25,000	$25,000
DPH San Francisco General Hospital Emergency Room	3,108,000	3,108,000
DPH Paramedics Division	1,000,000	1,000,000
Recreation and Park Department	325,000	325,000
DPW Bureau of Street Cleaning and Urban Forestry	500,000	200,000
Total Estimated Costs for Indirect Homeless Services	**$4,958,000**	**$4,658,000**
Total Estimated Costs for Primary and Indirect Homeless Services	**$34,336,176**	**$19,290,942**

DEPARTMENT OF SOCIAL SERVICES

FAMILY PROGRAMS	
Richmond Hills Family MSC	$465,188
Hamilton Family Center	$270,416
Traveler's Aid - Hotel Rooms	$242,970
Traveler's Aid - Winter Shelter	$51,000
Traveler's Aid - McKinney	$115,000
Salvation Army - Gateway	$84,645
Catholic Charities - Family Svc	$160,873
Red Cross - Eviction Prevention	$100,000
Traveler's Aid - Childcare	$57,524
Subtotal	$1,547,616

SHELTERS	
Dolores - Shelter	$189,837
Salvation Army - Shelter	$151,868
Episcopal Sanct. - Shelter	$678,326
Hospitality House - Shelter	$108,477
Women's Shelter	$54,239
Subtotal	$1,182,747

MULTI-SERVICE CENTER	
North of Market (Episc)	$1,704,774
South of Market (St Vinct)	$1,556,952
Maintenance	$70,000
Subtotal	$3,331,726

TRANSITIONAL HOUSING	
Conard House	$397,100
Catholic Charities - Guerrero	$104,500
Innovative Housing Prog.	$44,976
Hsg/Indep People - McKinney	$20,000
Subtotal	$566,576

PERMANENT HOUSING	
Hosp. House - Cambridge Hotel	$167,035
Community Hsg. Partnership	$362,837
Mission Housing Dev.	$55,448
SSI Rep Pay Program	$435,000
THC - Modified Payment	$276,425
Subtotal	$1,296,745

MISCELLANEOUS	
Shelter Grievance Advocate	$28,000
KGO Winter Shelter	$90,000
Interfaith	$32,998
Homeless Hotel Rooms	$500,000
GA (3,000@$345)	$12,420,000
Personnel Services	$415,813
Subtotal	$13,486,811

DSS TOTAL	$21,412,221

SUMMARY

DSS	$21,412,221
Sheriff	$29,000
Comm. on Aging	$55,000
MOCD	$810,000
MOH	$8,375,000
MOCJ	$94,213
DPH	$10,627,969
Indirect Services	$5,000,000
TOTAL	$46,403,403

Estimated Homeless Expenditures

Mayor's Office Homeless Programs
1993-94 Expenditure Estimate

SHERIFF

Eviction Assistance	$29,000
SHERIFF TOTAL	$29,000

COMMISSION ON AGING

Two Hotel Rooms	$20,000
Counseling/outreach	$35,000
Senior Nutrition Program	?
(An unknown portion of the $4million program feeds homeless seniors)	
COA TOTAL	$55,000

MAYOR'S OFFICE OF COMM. DEV.

Improve ventilation at MSCs	$550,000
St. Vincent de Paul	$45,000
Cent. City	$48,000
Hospitality House	$120,000
Comm. Rebirth	$47,000
MOCD TOTAL	$810,000

MAYOR'S OFFICE OF HOUSING

Supportive Housing Program	$8,375,000
MOH TOTAL	$8,375,000

MAYOR'S OFFICE OF CRIM. JUST.

Hospitality House	$72,713
Administrative Costs (est.)	$21,500
MOCJ TOTAL	$94,213

DEPARTMENT OF PUBLIC HEALTH

MENTAL HEALTH	
North of Market (Srs.)	$31,350
South of Market (Outpatient)	$119,058
Swords to Plowshares (Veterans)	$194,833
Multi-Service Centers	$90,061
Episcopal Sanctuary	$195,416
Conard House (Hotel Dolores)	$421,000
Conard House (Washburn Hotel)	$367,000
Comm Outpatient Svcs (6 mos)	$195,571
Westside Crisis (6 mos)	$103,500
Bayview Hunters Point (6 mos)	$46,500
Westside Meth Detox (6 mos)	$37,826
Representative Payee (4 mos)	$62,562
Psych Med Coverage (6 mos)	$62,500
IMD Services (6 mos)	$300,000
Subtotal	$2,227,177

Mayor's Office Homeless Programs
1993-94 Expenditure Estimate

Estimated Homeless Expenditures

SUBSTANCE ABUSE	
Ozanam Reception Center	$367,615
Alcohol Drop-In	$417,056
MSC Residential Treatment	$535,021
Mobile Assistance Patrol	$474,000
Multi-Service Centers	$145,000
Subtotal	$1,938,692
HOMELESS PROGRAMS	
Tom Waddell Clinic	$2,967,000
Tenderloin Self Help Center	$510,000
Peter Claver Community	$390,000
Transbay Terminal Outreach	$194,000
Bayview Hunters Pt. Foundation	$533,000
Calif. College of Podiatric Medicine	$13,000
Chase Correctional	$34,000
Subtotal	$4,641,000
AIDS OFFICE	
AIDS - Residence Program	$26,100
AIDS Benefits Counselors	$11,800
AIDS Emergency Fund	$14,800
AIDS Indigent Direct Services	$24,900
AIDS Legal Referral panel	$1,500
Am. Indians AIDS Institute	$4,600
Baker Places	$321,000
Bar Assoc of SF	$1,200
Bay View Hunters Pt.	$11,400
Black Coalition on AIDS	$168,600
Catholic Charities	$65,000
CPMC	$11,000
DSS - Family Services	$5,100
Family Service's Agency	$2,700
GAPA Community HIV Project	$7,000
Haight Ashbury Free Med Clinic	$41,900
Health Outreach Team	$45,300
Inst. Familiar de la Raza - Psych	$14,600
Iris Center	$32,900
Larkin St. Youth Center	$42,600
Lyon Martin Women's Clinic	$7,200
Mission Neighborhood Health Ctr	$500
Natl Task Force on AIDS Prevention	$8,300
Planned Parenthood	$23,800
Salvation Army	$90,000
SF Comm. Clinic Consortium	$40,700
SF Suicide Prev. - HIV Nightline	$600
SFAF	$262,200
SFDPH- CPHS - Spec. Prog for Youth	$115,500
Shanti	$43,200
St. Mary's Hospital	$15,600
Tenderloin AIDS Resource Center	$9,100
UCSF AIDS Health Project	$121,500
UCSF Women's Clinic	$1,800
Univ. of Pacific - Dental Care	$2,500
Walden House	$221,200
Westside Comm. Mental Hlth Svs	$3,400
Subtotal	$1,821,100
DPH TOTAL	$10,627,969
ESTIMATED INDIRECT SERVICE COST	$5,000,000

CitiReport

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 4, 1994

TO: Joint Economic Vitality & Social Policy/Budget Committee

FROM: Budget Analyst

SUBJECT: February 8, 1994 Joint Economic Vitality & Social Policy/Budget Committee Meeting

Item 1 - File 185-93-2

Department: Mayor's Office of Children, Youth and their Families (MOCYF)

Item: Resolution approving the Fiscal Year 1994-95 Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415.

Description: Proposition J, commonly known as the "Children's Amendment," was approved by the electorate in November, 1991. The Children's Amendment amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the existing level of expenditures for services and programs for children.

The Children's Amendment requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs. The proposed resolution would approve the Fiscal Year 1994-95 Children's Services Plan.

The proposed FY 1994-95 Children's Services Plan identifies four areas of priority for the coming year. These four areas are:

(1) *School Readiness*
School Readiness programs would be designed to ensure that children, particularly low-income children, are prepared to enter school with the social, mental, emotional, and intellectual skills they need. Programs in this area would be oriented toward children from birth to kindergarten age. School Readiness would receive a total of $1,786,700.

(2) *After School Child Care and After School Enrichment*
After School programs would be designed to ensure that young children (ages six to twelve) have access to adequately supervised care and enriched activities while their parents are at work. After School programs would receive a total of $2,081,750.

(3) *Youth Development/Community Service*
Youth Development/Community Service programs would be designed to prepare youth (ages ten to 17) for eventual self-sufficiency by providing them with opportunities to engage in activities that strengthen their social, cultural, cognitive, and vocational skills. Youth Development/Community Service programs would receive a total of $3,359,250.

(4) *Family Support Services and Intensive Family Preservation Services*
Family Support Services are timely support services to reinforce intact families. Such services include a variety of child development, education, drop-in health service, advocacy, and referrals. Priority would be given to at-risk families. Family Support Services would receive a total of $1,401,300.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. In the

proposed FY 1994-95 Children's Services Plan, each of these four mandated services would receive exactly 25 percent of the total funding, or $3,187,250 (including $2,957,250 in program costs and $230,000 in administrative costs).

Proposed Budget: The FY 1994-95 budget for the Children's Fund, included in the proposed Children's Services Plan, are organized according to the four areas of priority identified by MOCYF: School Readiness; After School Care; Youth Development; and Family Support Services. Within these four areas, the MOCYF has specified expenditures for the four mandated funding categories under the Children's Amendment: Child Care; Health and Social Services; Job Readiness Training; and Delinquency Prevention/ Education/Libraries/Recreation. The following budget also contains $2,800,000 for nine collaborative projects implemented by community-based organizations, in cooperation with City departments. These programs were previously approved by the Board of Supervisors in the FY 1993-94 Children's Services Plan.

In FY 1993-94, MOCYF provided a specific line-item budget (see Comment 7) in its Children's Services Plan. MOCYF was able to provide this line-item budget because all of the programs in FY 1993-94 were continuations of FY 1992-93 programs. The currently proposed FY 1994-95 Children's Services Plan does not provide this detail, because, as of the writing of this report, the contractors and specific department programs have not been determined. Contractor budgets will be established based on requests for proposal, and department programs will be established in consultation with the various departments.

The following budget for the proposed Children's Services Plan for FY 1994-95 is in conformance with the specifications of the Children's Amendment. This proposed resolution would not approve any appropriation of funds, but would only approve the proposed Children's Services Plan for FY 1994-95. Funding appropriations would be approved by the Board of Supervisors as part of the FY 1994-95 Annual Appropriation Ordinance.

Proposed FY 1994-95 Allocation:

School Readiness	
Contracts	
Child Care	$1,056,250
Health and Social Services Funds	300,000
Delinquency Prevention/Education/ Libraries and Recreation Funds	175,000
In-House Services	
Child Care *San Francisco Unified School District* Child Development Center	84,000
Health and Social Services *Department of Public Health* Community Health Outstation Nurses	23,100
Delinquency Prevention/Education/ Library/Recreation *San Francisco Public Library* Kidsmobile	148,350
TOTAL, SCHOOL READINESS FUNDS	$1,786,700
After School Child Care and Enrichment	
Contracts	
Child Care	$321,280
Health and Social Services	246,500
Job Readiness, Training, and Placement	200,000
Delinquency Prevention/Education/ Libraries and Recreation	477,120
In-House Services	
Child Care *Recreation and Park Department*	

Latchkey programs	$258,720
Health and Social Services	
Department of Public Health	
Mental Health Outreach	168,000
San Francisco Unified School District	
Health Center	23,100
Health Start Programs	100,000
Delinquency Prevention/Education/Library/Recreation	
San Francisco Public Library	
Children 's Saturday Library hours	
Tenderloin Outreach	
Middle School Outreach Librarians	
Branch Libraries (Bayview Hunter's Point/ Youth Guidance Center)	$287,030
TOTAL, AFTER SCHOOL FUNDS	$2,081,750

Youth Development/Community Service

Contracts

Health and Social Services	$125,000
Job Readiness, Training, Placement	1,270,820
Delinquency Prevention/Education/ Libraries and Recreation	1,228,750

In-House Services

Health and Social Services	
Department of Social Services	
Teen GAIN	236,250
Job Readiness Training, Placement	
Recreation and Park Department	
Workreation	67,830
Private Industry Council	
Mini-Step Program	256,200
Department of Social Services	
Foster Care Vocational Education	29,400

Juvenile Probation Department	
Neighborhood Based Prevention	$75,000
Serious Repeat Offender Program	70,000
TOTAL, YOUTH DEVELOPMENT FUNDS	$3,359,250

Family Support Services and Intensive Family Prevention Services

Contracts

Health and Social Services	$829,400
Child Care	120,000

In-House Services

Health and Social Services	
Department of Public Health	
Satellite Clinics	396,900
Delinquency Prevention/Education/Libraries/Recreation	
Juvenile Probation Department	
Parenting Program	25,000
Court Day Services Program	30,000
TOTAL, FAMILY SUPPORT AND PREVENTION SERVICES FUND	$1,401,300

Continuation Funds for 1993-94 Collaborative Programs

Child Care	$1,017,000
Health and Social Services	354,000
Job Training and Readiness	1,033,000
Delinquency Prevention/Education/ Recreation/Libraries	396,000
TOTAL, CONTINUATION OF COLLABORATIVE PROGRAMS	$2,800,000

Matching Funds $400,000
(MOCYF grant funds to allow community-based organizations to leverage State and Federal funds; includes $100,000 in each mandated category)

MOCYF Administrative Costs (approximately 7.2 percent of total Children's Fund)	$920,000
TOTAL CHILDREN'S FUND	**$12,749,000**

Comments:

1. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment. The amount of these property tax revenues is two and one half cents per $100 of assessed valuation for the current fiscal year and the seven subsequent fiscal years. The Children's Amendment has been in effect for two years, and will expire after a total of ten years.

2. In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

3. The amount of the Children's Fund in FY 1992-93 was $5.7 million. The Children's Fund for the current fiscal year is approximately $12.749 million. According to Ms. Anne Jenkins of the Controller's Office, the Controller has not yet provided an estimate for the Children's Fund for FY 1994-95. Therefore, for the purpose of this Children's Services Plan, the MOCYF has conservatively estimated that the Children's Fund for FY 1994-95 will be the same as for the current fiscal year, or $12.749 million.

4. The Children's Amendment requires a public planning process, in which public hearings are to be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors. According to the proposed plan, six such public hearings were held in November and December, 1993.

5. In Fiscal Year 1996-97, the Board of Supervisors may modify or eliminate the minimum funding requirements, noted above, for child care, health and social services, job readiness training, and delinquency prevention/education/libraries/recreation.

6. The proposed FY 1994-95 Children's Services Plan includes administrative costs of $920,000, or 7.2 percent of the total estimated $12.749 million Children's Fund, which is $296 less than the current year's allocation of $920,296. The Children's Amendment contains no language in regard to administrative costs, such as mandated maximum administrative costs. These administrative costs would support MOCYF activities, as well as administrative costs at the various departments where children's services are implemented. The MOCYF will provide budget details for these administrative costs with their FY 1994-95 Budget requests.

7. The Children's Services Plan budget for FY 1993-94, which was organized in accordance with the four mandated service categories, was as follows:

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
Community Organization/Department Collaboration	847,198
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150,279
Total-Childcare	$2,951,279

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250

Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
Community Organization/Department Collaboration	294,375
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$2,424,526

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
Community Organization/Department Collaboration	860,163
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$2,949,464

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
Community Organization/Department Collaboration	329,606
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$2,419,592

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800

Total Administrative Costs	$920,296
TOTAL FY 1992-93 CHILDREN'S PLAN	**$12,749,000**

8. As previously noted, approval of the proposed resolution would not approve the appropriation of any funds, but would only approve the FY 1994-95 Children's Services Plan, in conformance with the Children's Amendment. The Board of Supervisors will approve the contracts and budget details for the Children's Fund as part of the FY 1994-95 Annual Appropriation Ordinance.

Recommendation: The Budget Analyst has no recommendation, because:

(a) the proposed FY 1994-95 Children's Services Plan is based on revenue from FY 1993-94, not on estimated FY 1994-95 revenue; and

(b) the FY 1994-95 Children's Services Plan does not contain a line item budget.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Hsieh
Supervisor Kaufman
President Alioto
Supervisor Conroy
Supervisor Bierman
Supervisor Hallinan
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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SPECIAL CALENDAR

ACTION TAKEN

JOINT BUDGET/HOUSING & LAND USE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 9, 1994 – 1:00 P.M.

2ND FLOOR, CITY HALL
LEGISLATIVE CHAMBER

PRESENT: SUPERVISORS HSIEH, BIERMAN, ALIOTO, MAHER, SHELLEY

ABSENT: SUPERVISOR MAHER FOR VOTE ON ALL ITEMS.

CLERK: MARY L. RED

1. File 97–94–5. [Seismic Safety Retrofit Loan Program] Ordinance amending Administrative Code by adding a new Chapter 66A, Sections 66A.1 through 66A.27, to provide regulations for the creation and operation of the Seismic Safety Retrofit Loan Program. (Supervisor Hsieh)

   ACTION: Hearing held. Amendment of the Whole (as presented by Supervisor Hsieh) adopted; further amended. Amendment of the Whole reflecting further amendments, RECOMMENDED AS AMENDED. Same title. (Supervisor Maher absent)

2. File 97–94–6. [Seismic Safety Loan Fund] Ordinance amending Administrative Code by amending Section 10.117–110 by changing the name of the Seismic Strengthening Loan Fund to the Seismic Safety Loan Fund and making the administration of that fund consistent with the documents authorized issuance of bonds under the Earthquake Loan Bond Program, 1992. (Supervisor Hsieh)

   ACTION: Hearing held. Amended on page 2, line 13, after the word "Fund" insert "((, excluding expenditures in the form of loans,))". Same title. RECOMMENDED AS AMENDED. (Supervisor Maher absent)

3. File 170–94–2. [Bond, Issue $350M, Seismic Safety Loan Program] Resolution providing for the issuance of $350,000,000 aggregate principal amount of City and County of San Francisco taxable general obligation bonds (Seismic Safety Loan Program); providing for the levy of a tax to pay the principal and interest thereof; providing for the establishment of funds related thereto; authorizing and directing the sale of $35,000,000 principal amount of taxable general obligation bonds (Seismic Safety Loan Program) 1994 Series A; prescribing the terms and form of said Series A bonds; approving forms of official notice of sale of said Series A bonds and notice of intention to sell said Series A bonds; directing the publication of notice of sale and notice of intention to sell said Series A bonds; approving the form of purchase contract; approving the official statement relating to said Series A bonds; consenting to submission of bids by co–financial advisor; granting general authority to city officers to take necessary actions in connection with the authorization, issuance, sale and delivery of said Series A bonds; authorizing reimbursement of expenditures; and authorizing the execution of necessary documents. (Supervisor Hsieh)

   ACTION: Hearing held. Amendment of the Whole (as presented by Supervisor Hsieh) adopted. Same title. RECOMMENDED AS AMENDED. (Supervisor Maher absent)

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CALENDAR . . . ACTION TAKEN

BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
AUG 27 1996
SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, FEBRUARY 9, 1994 – 2:00 P.M.

2ND FLOOR, CITY HALL
LEGISLATIVE CHAMBER

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 101–93–70. [Appropriation, Police Dept./Citizen Complaints] Ordinance appropriating $61,420, Office of Citizen Complaints, Police Department, from the General Fund Reserve, to restore three positions for Fiscal Year 1993–94; subject of previous budgetary denial. (Companion measure to File 102–93–19). RO #93193 (Controller)
(Continued from 1/26/94)

   ACTION: Consideration continued to February 23. (Supervisor Alioto added as sponsor).

2. File 102–93–19. [Police Dept., Restoration of Three Positions] Ordinance amending Ordinance No. 242–93 (Annual Salary Ordinance, 1993–94) reflecting the restoration of three positions in the Office of Citizen Complaints of the Police Department; companion measure to File 101–93–70. (Civil Service Commission)
(Continued from 1/26/94)

   ACTION: Consideration continued to February 23. (Supervisor Alioto added as sponsor).

3. File 79–92–3.6. [Reserved Funds/Community Development Block Grant] Hearing requesting release of reserved funds, Mayor's Office of Community Development/1993 Community Development Block Grant Program, in the amount of $12,000, for Lead Hazard Reduction Program Pool, for St. Patrick Day Care Center. (Mayor's Office of Community Development)

   ACTION: Hearing held. Release of reserved funds in the amount of $12,000 approved. FILED.

4. File 101–90–84.9. [Reserved Funds/1986 Fire Protection Bond] Hearing requesting release of reserved funds, Fire Department/1986 Fire Protection System Improvement Bonds – Series 1991B, in the amount of $62,400, for removal of asbestos from the Fireboat Guardian. (Fire Department)

   ACTION: Hearing held. Release of reserved funds in the amount of $62,400 approved. FILED.

5. File 97-93-51.1. [Assessment Appeals Board] Ordinance amending Administrative Code by adding Section 2B.1.2 to incorporate by reference applicable provisions of the California Constitution and State statutes, amend Section 2B.3 to make technical changes, amend Section 2B.5 to increase the compensation of Board members to $200 per day, add Sections 2B.9 and 2B.10 to require payment of a fee for filing and hearing applications for refund with the Assessment Appeals Board, adding Section 2B.11 to increase the fee for written findings of fact and conclusions and adding Sections 2B.12 through 2B.19 to create an additional Assessment Appeals Board and provide for the appointment of assessment hearing officers. (Supervisor Kaufman)

   ACTION: Hearing held. RECOMMENDED. (Supervisor Alioto added as cosponsor).

6. File 101-93-77. [Appropriating, Department of Public Works] Ordinance appropriating and certifying, $48,841 Department of Public Works, for capital improvement project to cover ten percent overage as per Charter Section 7.203, providing for ratification of action previously taken. RO #93210 (Controller)

   ACTION: Hearing held. RECOMMENDED. (Supervisor Alioto added as sponsor)

7. File 195-94-1. [Jail Facility, 850 Bryant Street] Resolution amending Resolution No. 96-90 which describes the site and funding of the City's new facility at 850 Bryant Street, by deleting the statement of intent by the Board of Supervisors that all the inmates living in the new facility shall be enrolled and participating in a work furlough program. (Supervisor Alioto)

   ACTION: Hearing held. RECOMMENDED.

8. File 12-94-3. [Documentary Transfer Tax Exemption] Resolution urging the Mayor to urge the California State Legislature to amend Section 11927 of the California Revenue and Taxation Code to exempt domestic partnerships from the Documentary Transfer Tax, consistent with the exemption allowed for married couples. (Supervisor Migden).

   ACTION: TABLED at request of sponsor.

9. File 101-92-60.2. [Reserved Funds, Department of Public Works] Hearing requesting release of reserved funds, Fire Department 1992 Proposition C Bond Program, in the amount of $53,800, for an emergency construction contract (Byron Epp, Inc.), to replace large apparatus door at Fire Station No. 13 at 530 Sansome Street. (Department of Public Works)

   ACTION: Hearing held. Release of reserved funds in the amount of $53,800 approved. FILED.

10. File 127-94-1. [Firearms and Ammunition Business Tax] Ordinance amending Part III of the Municipal Code by amending Section 905-A to exclude businesses selling firearms and ammunition from the Small Business Exemption and amending Sections 1004.17, 1004.18 and 1005.3 to establish a new business classification for firearm and ammunition sales, to increase the tax rate for this classification from .3 percent to 3 percent as of January 1, 1994 and to exclude businesses with gross receipts from the sale of firearms and ammunition from eligibility for the Small Business Exemption. (Supervisor Migden)
(Continued from 2/2/94)

ACTION: Amendment of the Whole (as presented by sponsor) adopted. New title: Ordinance amending Part III of the Municipal Code by amending Section 905-A of Article 12A to exclude businesses selling firearms and ammunition from the Small Business Tax exemption and amending Sections 1003, 1004.17, 1004.18 and 1005.3 of Article 12-B to establish a new business classification for firearm and ammunition sales, to establish a tax rate for this classification of 3 %, as of January 1, 1994, for the total gross receipts received by any business which receives any gross receipts from the sale of firearms and ammunition, and to exclude businesses with gross receipts from the sale of firearms and ammunition from eligibility for the small business exemption.

CONSIDERATION CONTINUED TO FEBRUARY 16.

Public Library, Documents Dept.
ATTN: Jane Judson

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

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BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 7, 1994

TO: Budget Committee

FROM: Budget Analyst Recommendations

SUBJECT: February 9, 1994 Budget Committee Meeting

Items 1 and 2 - Files 101-93-70 and 102-93-19

Note: These items were continued from the January 26, 1994 Budget Committee meeting.

Department: Police Department - Office of Citizens Complaints (OCC)

Item: Supplemental Appropriation Ordinance (File 101-93-70) and Ordinance Amending the Annual Salary Ordinance (File 102-93-19) for restoration of three positions in the OCC. The positions are the subject of previous budgetary denial and therefore require a two thirds majority vote for Board of Supervisors Approval.

Amount: $61,420

Source of Funds: General Fund General Reserve

Description: 1. The OCC's 1993-94 budget, as recommended by the Mayor, eliminated four vacant positions from the OCC's 1992-93 authorized staffing level. These positions, all of which were vacant at the time the 1993-94 budget was approved, were as follows:

Positions	Maximum Annual Salary
(1) 8127A Chief Investigator	$67,390
(1) 1823 Sr. Administrative Analyst	58,203
(2) 1425 Sr. Clerk Typists ($33,877 each)	67,754
(4) Total Maximum Annual Salaries	$193,347

2. The Police Commission approved a supplemental appropriation request to restore the four positions. The Mayor has recommended that three of the four positions be restored (disapproving the request for the 1823 Sr. Administrative Analyst) for the last five months of the 1993-94 Fiscal Year requiring the following expenditures:

Permanent Salaries	$50,760
Mandatory Fringe Benefits	10,660
Total Request	$61,420

Comments:

1. The 8127A Chief Investigator position became vacant in March, 1992. The OCC reports that the Civil Service Commission is now completing certification of a list of candidates and that the Chief Investigator can be hired as soon as the position is authorized and funding approved. Restoring and filling this position is critical to "coordination and management of the investigative unit, as well as other management and community outreach programs" according to Ms. Alfreda Davis-Porter, Director of the OCC.

2. The OCC has recently published a Statistical Report to the Police Commission incorporating ten months of statistics for the period of January, 1993 through October, 1993. This report stated that, as of October 31, 1993, the OCC had 485 pending complaints which have not been "closed". This level of pending complaints represents a 42 percent increase over the 342 complaints pending on December 31, 1992.

The OCC also reports that, as of January 1, 1994, there are approximately 663 complaints pending. Of this total, approximately 200 have been investigated and a finding has been made, but await clerical processing. The large backlog for clerical processing appears to substantiate the need for the two Senior Clerk Typist positions.

3. The Police Department has requested that the proposed ordinances be continued until the February 23, 1994 Budget Committee meeting.

Recommendation: Continue the proposed ordinances until the February 23, 1994 Budget Committee meeting, as requested by the Police Department.

Memo to Budget Committee
February 9, 1994 Budget Committee Meeting

Item 3 - File 79-92-3.6

Department: Mayor's Office of Community Development (MOCD)

Item: Release of reserved funds for the Lead Hazard Reduction Program Pool

Amount: $12,000

Source of Funds: Community Development Block Grant (CDBG) Program

Description: In approving the City's 1993 CDBG Program in November of 1993, the Board of Supervisors reserved $500,000 in funding for the Lead Hazard Reduction Program Pool pending the provision of budget details. The Budget Committee has previously released $50,000 of the $500,000, leaving a balance of $450,000 on reserve. The MOCD is now requesting that $12,000 be released from reserve to pay for a lead reduction project at the St. Patrick Day Care Center located at 366 Clementina Street.

The MOCD reports that the Department of Public Health has tested the St. Patrick Day Care Center site and has found lead in various areas of the facility. The proposed release of reserved funds would be used to reduce and/or eliminate such lead. The proposed $12,000 would be expended as follows:

Supervision and Protective Clothing/Materials	$1,600
Tile Removal	1,200
Repairs to Gym Wall	1,200
Demolish and Construct New Wall	5,000
Replacement of Doors and Frames	2,000
Architectural Design Services	1,000
Total	$12,000

Recommendation: Release the reserved funds in the amount of $12,000.

Item 4 - File 101-90-84.9

Department: Fire Department
Department of Public Works

Item: Release of reserved funds for asbestos abatement in the Fireboat Guardian.

Amount: $62,400

Source of Funds: 1986 Fire Protection System Improvement Bonds

Description: In November of 1986, San Francisco voters approved the issuance of $46.2 million in Fire Protection System Improvement Bonds (Proposition A) to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs and cisterns, pipelines, and pump stations which will provide a source of water for fire protection in the event that the main water supply system fails, as it did following the 1906 earthquake. The Fireboat Guardian is also part of the AWSS.

The City sold $31 million of these bonds in 1987 and the $15.2 million balance ($46.2 less $31 million) of the bonds in 1991. In April 1991, the Board of Supervisors appropriated the $15.2 million proceeds from the second sale of bonds in 1991, but reserved $13,506,943 that was budgeted for a variety of construction projects, pending specific information concerning the amount of the construction contracts, selection of the contractors and the MBE/WBE status of the contractors.

The Fire Department has two fireboats, the Guardian and the Phoenix. The Fire Department is now requesting the release of $62,400 from this reserve for asbestos abatement in the Fireboat Guardian as follows:

Department of Public Works		
Construction Management		$3,000
Contractual Services		
Asbestos Oversight and Air Sampling (Harding Lawson Associates)	$19,400	
Asbestos Removal (CST Environmental)	30,000	
Total Contractual Services		49,400
Project Contingency (19 percent)		10,000
TOTAL		$62,400

Comments: 1. Harding Lawson Associates is neither an MBE firm nor a WBE firm. CST Environmental is an MBE firm. Both of the contractors have ongoing contracts with the DPW to provide asbestos abatement services on an as needed basis.

2. According to Mr. Steve Mullinex of the DPW, the project contingency is higher than the usual ten percent because of the level of uncertainty associated with asbestos abatement in the Fireboat Guardian. Mr. Mullinex reports that the insulation in the walls of the Guardian is in varying stages of coming off the wall and that the precise amount of asbestos which must actually be removed or enclosed cannot be determined at this time.

3. Mr. Mullinex reports that the fireboat Guardian and the fireboat Phoenix are not the same make of fireboat and that the Fire Department advises that the Phoenix is not in need of any asbestos abatement services.

Recommendation: Approve the release of reserve in the amount of $62,400.

Memo to Budget Committee
February 9, 1994 Budget Committee Meeting

Item 5 - File 97-93-51.1

Note: This item was continued from the Budget Committee meeting on January 19, 1994.

Department: Assessment Appeals Board

Item: Ordinance amending Chapter 2B of the San Francisco Administrative Code by (1) adding Section 2B.1.2 to incorporate by reference applicable provisions of the California Constitution and State Statute, (2) amending Section 2B.3 to make technical changes, (3) amending Section 2B.5 to increase the compensation of Board Members fees from $100 per day to $200 per day, (4) adding Sections 2B.9 and 2B.10 to require payment of a fee for filing and hearing applications for reduced assessments with the Assessment Appeals Board, (5) adding Section 2B.11 to increase the fee for written findings of fact and conclusions and (6) adding Sections 2B.12 through 2B.19 to create an additional Assessment Appeals Board and provide for the appointment of an unspecified number of Assessment Hearing Officers.

Description: The proposed ordinance under "findings", states that the number of assessment appeals filed by taxpayers with the Assessment Appeals Board has increased substantially in recent years from 509 appeals in 1989 to more than 6,000 in 1993. Ms. Marilyn Cosentino, Assessment Appeals Board Administrator, concurs with this finding. According to the proposed ordinance, this increase in the number of assessment appeals filed has resulted in increased operating costs to the Assessment Appeals Board because the three members of the Board, who are paid $100 per day, have had to increase their number of days worked. Additionally, according to the proposed legislation, the Board's overhead costs, clerical costs, costs for reproduction of audio-tapes and graphics, and legal fees have also increased.

Under the proposed ordinance, Chapter 2B of the Administrative Code would be amended to stipulate the following:

1. Section 2B.3, which outlines regulations regarding Assessment Appeals Board membership and selection, would be amended to provide that the Board of Supervisors as an alternative to the nomination and selection procedure provided in Section 1623 of the California Revenue and Taxation Code, does hereby elect to fill vacancies on the Assessment Appeals Board in the manner prescribed by Section 1623.1 of the California Revenue and Taxation

Code. The City Attorney advises that this represents a technical change to conform to the existing practice of the Board of Supervisors.

2. Section 2B.5 would be amended to increase the compensation of members of the Assessment Appeals Board from the current $50 for each one-half day of service or $100 per full day to $100 for each one-half day of service or $200 per full day. The current compensation of members of the Assessment Appeals Board is substantially below the compensation paid to members of Assessment Appeals Boards in counties of comparable size and importance. The compensation per day of members of the Assessment Appeals Boards in the following four Bay Area counties is as follows: Alameda County ($150), Marin County ($200), Contra Costa County ($150) and Santa Clara County ($200). According to Mr. Andrew Schwartz, Deputy City Attorney, members of Assessment Appeals Boards in other counties in California comparable in size to San Francisco, such as San Diego, Los Angeles and Santa Clara, receive at least $200 each per day in compensation.

3. A new Section 2B. 1.2 would be added to incorporate by reference applicable provisions of the California Constitution and State Statute, in order to clarify that this legislation is intended to be compatible with State law.

4. A new Section 2B. 9 would be added to provide that an applicant filing for a reduced assessment shall pay a $30 non-refundable processing fee to the Assessment Appeals Board at the time of filing an application with the Board. A separate filing fee would be required for each application filed. Section 2B.9 would further provide that this filing fee shall be waived where the applicant is indigent, pursuant to California Government Code Section 68511.3.

Currently, there is no fee required to file an appeal with the Assessment Appeals Board.

5. A new Section 2B. 10 would be added to provide that where an application is not withdrawn at least 30 days prior to the date that a hearing has been scheduled by the Assessment Appeals Board, the applicant must pay a hearing fee, at least 30 days prior to the hearing date, to the Assessment Appeals Board. Currently, no hearing fee is charged. Since the Assessment Appeals Board's cost to hear and determine an appeal generally increases in direct proportion to the assessed value of the property affected by the appeal, the hearing fee for an assessment appeal would

be based on the current assessed value of the property affected by the appeal. According to Ms. Cosentino, the hearing fee would not exceed the Assessment Appeals Board's total cost to hear and determine the appeal. The following is the proposed schedule for hearing fees along with Ms. Cosentino's conservative estimate of the cost to process an appeal:

Assessed Property Value	Estimated Minimum Cost to Process an Appeal	Proposed Hearing Fee	Excess of Cost Over Fee
$250,000 or less	-	No Charge*	-
$250,001 - $2,000,000	$77	$50	$27
$2,000,001 - $10,000,000	137	100	37
$10,000,001 - $20,000,000	277	250	27
$20,000,001 - $50,000,000	400	400	0
$50,000,001 - $100,000,000	637	600	37
More than $100,000,000	1,200	1,200	0

* For properties assessed at $250,000, the estimated cost to process an appeal is $37, which would be covered under the proposed filing fee of $30 provided for under the proposed new Section 2B. 9

Section 2B.10 would further provide that (1) where an applicant files two or more applications at the same time affecting the same property for the same tax year, the applicant shall be liable for a single hearing fee based on the sum of the current assessed value of all property contained in the appraisal unit, (2) revenues generated by the filing fee (as provided for under Section 2B.9) shall be used exclusively to pay for the Assessment Appeals Board's operating costs, (3) the hearing fee shall be refunded to an applicant if the Assessor lowers the assessed value of the property following the hearing and (4) the hearing fee shall be waived if the application concerns residential property and the applicant elects to have the appeal heard by a hearing officer pursuant to Sections 2B.14 - 2B.18. The hearing fee would be waived under this latter provision because a hearing conducted by a single Hearing Officer involves less cost to the City than a hearing conducted by the three-member Assessment Appeals Board. According to Mr. Schwartz, waiving the hearing fee for hearings conducted by a Hearing Officer would serve as an added incentive for applicants to consider a hearing before a Hearing Officer as opposed to the Assessment Appeals Board, thereby reducing the cost to the City. The proposed legislation provides that if the applicant subsequently

applies for a hearing before the Assessment Appeals Board, the applicant shall pay the hearing fee required by this Section. However, if the Assessor subsequently applies for a hearing, the applicant shall not be required to pay the hearing fee.

6. A new Section 2B. 11 would be added to provide that the fee payable to the Assessment Appeals Board for the preparation of findings of fact, pursuant to California Revenue and Taxation Code Section 1611.5, shall be in accordance with the following schedule:

Assessed Value of Property	Fee
$0 - $1,000,000	$100
$1,000,001 - $2,000.000	$125
$2,000,001 - $10,000,000	$150
$10,000,001 - $20,000,000	$200
$20,000,001 - $50,000,000	$250
$50,000,001 - $100,000,000	$300
More than $100,000,000	$350

Section 2B. 11 would also provide that (1) revenues generated by the above-noted fee for findings of fact, shall be used exclusively to pay for the Assessment Appeals Board's operating costs and (2) if the City Attorney assists the Assessment Appeals Board in preparing findings of fact, revenues generated from this fee shall be credited to the City Attorney based on the actual amount of time expended by the City Attorney in advising the Board with respect to the findings.

In 1988, the Budget Analyst conducted a study of the reasonable cost to the Assessment Appeals Board to prepare written findings and conclusions entitled " Budget Analyst's Cost Analysis of Assessment Appeals Board Findings of Fact," contained in File 129-88-1. The Budget Analyst concluded in this study that the Assessment Appeals Board's cost of providing written findings of fact and conclusions, not including the time that would ordinarily be spent to process an assessment appeal, was in the range of $137 to $167 for the average appeal. As a result of this study, the Board of Supervisors increased the fee for written findings of fact and conclusions from $10 to $75 (Resolution No. 22-89) for all applications, regardless of the value of the property.

The Budget Analyst has updated the 1988 study in a memorandum entitled "Updated Cost Analysis of

Assessment Appeals Board Findings of Fact," dated January 8, 1993, finding that the cost to prepare written findings of fact and conclusions for the average assessment appeal has increased to between $147 and $177.

The proposed ordinance would increase the fee amount for findings of fact, based on the above noted fee schedule, from the current fee of $75 per application, regardless of property value.

7. A new Section 2B. 12 would be added to provide that pursuant to Article XIII, Section 16 of the California Constitution, one additional Assessment Appeals Board would be created, which will be designated Assessment Appeals Board Number 2.

8. A new Section 2B. 13 would be added to provide that the proposed Assessment Appeals Board Number 2 shall hear all applications for reduced assessments which are filed for residential properties consisting of 12 units or less with no commercial component above the first floor. Assessment Appeals Board Number 1 (the existing Board) shall hear all other applications for reduced assessments. With the exception of the difference in the type of applications heard by each Board, Assessment Appeals Board No. 2, shall have the same duties currently prescribed for the existing Assessment Appeals Board. As is the case with the existing Board, Assessment Appeals Board No. 2 will consist of three permanent members and three alternates. The members of Assessment Appeals Board No. 2 will be compensated at the same level as are the members of the existing Board. This Section further provides that the Clerk of the Board of Supervisors shall serve as Clerk and Administrator of Assessment Appeals Board No. 2 and perform the same duties for this Board as it currently performs for the existing Assessment Appeals Board.

If the proposed Assessment Appeals Board is created there would be a total of six Board members and six alternates (three members plus three alternates for each Board). The cost of the two Assessment Appeals Boards would be determined by the number of days worked by the Board members. For FY 1994-95, Ms. Cosentino is proposing to budget a total of 150 days of service or 80 days more than the 70 days currently budgeted. Based on the members being compensated at the proposed rate of $200 per full day, the total cost would be $90,000 annually (3 Board members x 150 days x $200). The Assessment Appeals Board currently spends $21,000 for Board member

compensation (3 Board members x 70 days x $100 per day). According to Ms. Cosentino, the additional Board would provide greater flexibility with regard to setting hearings because there would be a larger pool of Board members to draw from.

Mr. John Taylor, Clerk of the Board of Supervisors advises that, other than the additional cost of compensation for the Board members and a possible undetermined increase in costs connected with the Equalization Clerk assigned to the Assessment Appeals Board, the addition of one Assessment Appeals Board would have no fiscal impact on the Clerk of the Board's budget. The Equalization Clerk, which is responsible for recording the procedures at the hearings of the Assessment Appeals Board is currently budgeted for $17,634 through February 28, 1994.

9. A new Section 2B. 14 would be added to provide that, pursuant to Article 1.7 of Chapter 1, Part 3, Division 1 of the California Revenue and Taxation Code, the Board of Supervisors may appoint one or more Assessment Hearing Officers for a specified time period to conduct hearings on applications for reduced assessments filed with the County Board of Equalization and to make recommendations to an Assessment Appeals Board concerning such applications. Currently, there are no Hearing Officers. Section 2B.14 would also provide that the Board of Supervisors shall select the first six Hearing Officers from among the alternate members of the Assessment Appeals Boards Nos. 1 and 2 (as noted above, the proposed legislation provides for the appointment of one or more Hearing Officers). Any additional Hearing Officers shall be selected from among the permanent members of the Assessment Appeals Boards. This Section would further provide that the Assessment Hearing Officers would be compensated at the same rate proposed for Assessment Appeals Board members under Section 2B. 5 ($100 per half day or $200 per day). Additionally, the Clerk of the Board would serve as Clerk and Administrator to any Assessment Hearing Officer appointed and would perform the same duties, as outlined in Section 2B. 7, for the Hearing Officers, as are currently performed for the Assessment Appeals Board members.

Ms. Cosentino advises that the selection of the Hearing Officers from among the alternates and, if need be, the permanent members of the Assessment Appeals Boards is desirable because (1) it would permit the Hearing Officers to be selected in an expeditious manner which is necessary given the large volume of assessment appeals that currently

have to be processed, (2) the alternates and permanent Board members have proven expertise in conducting the necessary hearings, (3) the alternates would have the opportunity, which some desire, to increase the number of days of service they provide. Ms. Cosentino advises (1) that the decision to serve as a Hearing Officer would be entirely voluntary on the part of the alternates and permanent Board members and (2) that choosing to serve on an as needed basis as Hearing Officers would not alter their status as alternates and permanent members of the Board. Ms. Cosentino notes that the vast majority of the assessment appeals to be processed fall under the category of appeals that can be heard by Hearing Officers (i.e., single-family or multiple-family dwellings of four units or less).

10. A new Section 2B. 15 would be added to provide that hearings conducted before an Assessment Hearing Officer shall be conducted pursuant to the provisions of Article 1.7 of the California Revenue and Taxation Code. Additionally, this Section would provide that an Assessment Hearing Officer may conduct hearings on applications where (1) the applicant has filed an application in accordance with applicable law, (2) the property under consideration is a single-family dwelling, condominium, or cooperative, or a multiple-family dwelling of four units or less, and (3) the applicant has requested that the hearing be held before an Assessment Hearing Officer. The Clerk of the Board shall inform applicants of their right to elect to have a hearing before a Hearing Officer.

If the proposed ordinance is approved, Ms. Cosentino is proposing to budget for a total of 25 full days of service for two Hearing Officers (as noted above, the proposed legislation provides for the appointment of one or more Hearing Officers). Based on the two Hearing Officers being compensated at the proposed rate of $200 per full day, the total cost would be $10,000 annually (2 Hearing Officers x 25 days x $200 per day).

According to Mr. Taylor, other than the additional costs associated with the compensation of the proposed Hearing Officers and the possible undetermined increase in costs associated with the Equalization Clerk noted above, the proposed Hearing Officers would have no fiscal impact on the Clerk of the Board's budget.

11. A new Section 2B. 16 would be added to provide that, pursuant to Section 1639 of the California Revenue and

Taxation Code, the Assessment Hearing Officer must prepare a summary report of the proceedings together with a recommendation on the application and transmit this report and recommendation to the Clerk of the Board.

12. A new Section 2B. 17 would be added to provide that, pursuant to Section 1640.1 of the California Revenue and Taxation Code, the Clerk of the Board shall transmit by mail to the applicant and to a designated Assessment Appeals Board member the Hearing Officer's report and recommendation (required under Section 2B. 16). The applicant must be informed that the Assessment Appeals Board is not bound by the recommendation of the Assessment Hearing Officer and that he or she is entitled to a full hearing before the Assessment Appeals Board.

13. A new Section 2B. 18 would be added to provide that the protesting party or the Assessor may, within 14 days after the mailing of the Hearing Officer's report and recommendation, apply for a hearing before the Assessment Appeals Board. The Assessment Appeals Board may consider, but would not be bound by, the recommendation of the Assessment Hearing Officer. If no application for a hearing is filed within the designated 14 days, the Assessment Appeals Board shall without further testimony, either accept the recommendation of the Hearing Officer and make any necessary change in the assessed value of the property or reject the recommendation and set the application for a reduced assessment for a hearing before the Assessment Appeals Board.

14. A new Section 2B. 19 would be added to provide that commencing two years after the effective date of this Section and every two years thereafter, the Clerk of the Board shall report to the Board of Supervisors on (1) the number and type of assessment appeals which are filed, (2) the adequacy of the number of Assessment Appeals Boards to process the appeals effectively and (3) the adequacy of the filing, hearing, and findings of fact fees to pay for the City's costs to process the assessment appeals.

Comments:

1. In summary, the major provisions of the proposed ordinance include (1) increasing the compensation of Assessment Appeals Board members from the current $50 for each one-half day of service or $100 per full day to $100 for each one-half day of service or $200 per full day, (2) the establishment of a $30 non-refundable processing fee to be required for each application filed with the Assessment Appeals Board, (3) the establishment of a hearing fee that

would range from a minimum of $50 to a maximum of $1,200 based on the assessed value of the property, (4) an increase in the existing fee of $75 for the preparation of findings of fact by the Assessment Appeals Board (the fee would range from a minimum of $100 to an maximum of $350 based on the assessed value of the property), (5) the creation of one new Assessment Appeals Board consisting of three members to be appointed by the Board of Supervisors and (6) the appointment of one or more Hearing Officers by the Board of Supervisors. These Hearing Officers would be compensated at the same rate proposed for Assessment Appeals Board members.

2. As noted above, the existing Assessment Appeals Board members are budgeted to work for 70 full days in FY 1993-94. These Board members currently receive $50 per one-half day of service or $100 per full day, for a total annual cost of $21,000 (3 Board members x 70 days x $100 per day) for FY 1993-94. Based on the representation of Ms. Cosentino, there would be a total of 150 days of service budgeted for the Assessment Appeals Board members and 25 days budgeted for two Assessment Hearing Officers, for FY 1994-95. Both of these classifications would be paid $200 per day under the proposed legislation. If such budgets are approved, the total annual costs would be $100,000 ($90,000 for the Assessment Appeals Board members - 3 members x 150 days x $200 per day plus $10,000 for the Assessment Hearing Officers - 25 days x 2 Assessment Hearing Officers x $200 per day). Therefore, the total estimated increased annual costs would be $79,000 ($100,000 less $21,000).

3. Based on the 6,561 applications filed with the Assessment Appeals Board in calendar 1993, a total of $196,830 in new revenue would have been generated by the proposed $30 non-refundable processing fee ($30 x 6,561 applications).

4. Of the 6,561 applications filed for 1993, thus far 58 hearings have been held. Based on the proposed fee schedule for hearings conducted by the Assessment Appeals Board, the total estimated new revenue that would have been generated in 1993, as a result of the 58 hearings held thus far, is as follows:

Assessed Property Value	Number of 1993 Hearings	Hearing Fee	Estimated Revenue
$250,001 - $2,000,000	53	$50	$2,650
$2,000,001 - $10,000,000	4	100	400
$10,000,001 - $20,000,000	1	250	250
$20,000,001 - $50,000,000	0	400	0
$50,000,001 - $100,000,000	0	600	0
More than $100,000,000	0	1,200	0
Total	58		$3,300

It should be noted that of the 58 hearings held, 55 involved applications which were withdrawn prior to the hearing date. Under the proposed ordinance, if an applicant withdraws an application at least 30 days prior to the hearing date, he or she would not be subject to the hearing fee. The Assessment Appeals Board was unable to determine, as of the writing of this report, how many, if any, of the 55 applications which were withdrawn, were done so at least 30 days prior to the hearing date.

5. In 1993, 21 applications for written findings of fact were processed by the Assessment Appeals Board at the existing fee of $75 per application, for a total of $1,575 in revenue. Based on the proposed fee schedule for preparation of finding of facts, the total revenue, which would have been generated in 1993 for the 21 applications, is $4,900 (or $3,325 in additional annual revenues) as follows:

Assessed Value of Property	Applications Filed	Fee	Estimated Revenue
$0 - $1,000,000	0	$100	$0
$1,000,001 - $2,000,000	0	125	0
$2,000,001 - $10,000,000	4	150	600
$10,000,001 - $20,000,000	6	200	1,200
$20,000,000 - $50,000,000	7	250	1,750
$50,000,001 - $100,000,000	1	300	300
More than $100,000,000	3	350	1,050
Total	21		$4,900

6. Attached is a letter from the members of the existing Assessment Appeals Board which outlines several issues in support of the proposed legislation.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

ASSESSMENT
APPEALS BOARD

Rm. 2C
City Hall
San Francisco 94102
554-6778

TO: Hon. Angela Alioto
President, Board of
Supervisors; and Members
of the Board

FROM: Assessment Appeals Board

SUBJ: Sup. Kaufman's AAB Legislation

DATE: 1-28-94

On Wednesday, 2-2-94, the Budget Committee will consider legislation submitted by Sup. Kaufman re the Assessment Appeals Board (AAB). We would respectfully like to point out several important issues in support of this legislation. This legislation benefits the Board of Supervisors since the AAB will be administered in a more cost-effective manner.

Since its inception in 1966, the AAB has not charged a fee to property owners for either filing an appeal or hearing a property tax case. San Francisco's AAB may be one of a very few of the City's administrative Boards to not charge a fee. AABs in other jurisdictions charge such fees.

The AAB has been inundated with property owners filing for tax relief. Even though the vast majority of these appeals are single-family or small apartment properties the most significant cases involve major downtown, financial district, and South of Market commercial properties. Substantial revenue to the City is at stake in each of these complex appeals.

The Assessor has recommended substantial reductions in her valuations of the major properties in the above mentioned areas. After careful scrutiny and consideration of relevant evidence, the AAB has often rejected the Assessor's recommended lower values for property in the downtown and Central Business District.

Such action by the AAB has resulted in dramatic savings to the City in property tax revenue as compared to what the City would lose if the Assessor's recommendations were rubber stamped.

The legislation authored by Sup. Kaufman is emphatically endorsed by each of the permanent members of our Board. This legislation will reduce the burden that both the Assessor and large property owners are placing on our Board.

As a result of the AAB's policy to scrutinize the Assessor's recommendations, the property owners of large, multi-million dollar properties (always represented by counsel, appraisers, and accountants) are exercising their perrogative of requesting findings of fact in cases that adversely jeopardize their property taxes. The findings of fact fee, for over 20 years a mere $10.00, was only recently increased to $75.00.

This fee is far from commensurate or equitable to the City. It is important to point out that findings of fact are rarely, if ever, requested in single-family properties and remotely requested in multi-unit residential properties. The net effect is that the multi-million dollar properties represent the overwhelming majority of the cases that make such a request.

Findings of fact would be used by a property to appeal the AAB's decision to the Superior Court. Consequently, these findings, prepared by the Board members, require time spent in research and review of the submitted evidence. The proposed new fee schedule for findings of fact are not only fair but will end the subsidy the citizens of San Francisco have been granting the multi-million dollar properties which challenge the City's property tax revenue.

Sup. Kaufman has properly made an allowance in her legislation for waiver of fees to hardship cases. We agree with that provision and believe this will obviate an argument that the fees are onerous.

Should the Budget Committee disagree on creating a second Appeals Board we would not object. We are willing to deal with the caseload as one Board. However, we believe the thrust of Sup. Kaufman's legislation (fees) will generate income to the City and bring our Board into the 21st century.

Attached to this memo is a partial list of downtown properties that have been heard and decided by our Board during the current session. You will undoubtedly note the significant differences we have had with the Assessor. You will also see the amount of General Fund revenue the City would be losing if the Assessor's recommendations had been blindly approved.

We appreciate the opportunity to bring this matter to your attention. We plan to attend the Budget Committee hearing on 2-2-94 to respond to any questions you may have. Thank you for your consideration.

Respectfully submitted,

Samuel Martinez

Mark Hagopian

Peter Fatooh

Attachment

PROPERTY & ADDRESS	VALUE ON TAX ROLE	ASSESSOR'S RECOMEN.	AAB DECISION
1. 311 California ** Robert Dollar Bldg.	22,633,654	16,500,000	22,633,654
2. 255 California ** Industrial Indemnity	38,538,401	25,390,000	31,000,000
3. 430 California ** Bank of California	48,468,557	31,900,000	40,000,000
4. 50 Third St. ** ANA Hotel	98,332,745	70,000,000	90,000,000
5. 4th & Mission *** Marriott Hotel	302,132,160	242,622,500	To be heard 3-29-94

** Assessor's recommendation accepted by the taxpayer but denied by the AAB based on the assessor's presentation.

*** Assessor's recommendation was denied by the AAB (accepted by the taxpayer) and will be heard in March, 1994.

Pres. Alioto
AAB/Attachment to memo of 1-28-94

Memo to Budget Committee
February 9, 1994

Item 6 - File 101-93-77

Department: Department of Public Works (DPW)

Item: Supplemental appropriation ordinance for a capital improvement project to cover overage above ten percent of the contracted amount pursuant to provisions of Charter Section 7.203 and providing for ratification of action previously taken for Fiscal Year 1993-1994.

Amount: $48,841

Source of Funds: U.S. Department of Transportation
(Federal Transportation Administration Program Funds)

Description: The DPW reports that the proposed supplemental appropriation in the amount of $48,841 would be used to pay for contract modifications, which exceed ten percent of the original contract, for the MUNI Metro Turnaround Sewer Relocation Project. Charter Section 7.203 requires authorization of the Board of Supervisors if the amount of a contract is increased by more than ten percent of the original contract amount.

Comments: 1. The MUNI Metro Turnaround Sewer Relocation Project consists of constructing sewers, relocating City Auxiliary Water Supply System (AWSS) facilities, and supporting and working around utilities in the Downtown area.

2. The DPW advises that the additional expenditures in the amount of $48,841 are a result of numerous subsurface site conditions encountered during excavation that required unanticipated excavation work on the AWSS and additional removal and disposal of subsurface concrete footings, brick walls and contaminated soil. Because this additional work has already been completed, the proposed resolution provides for ratification of action previously taken.

3. The budget details of this contract overage above ten percent of the original contract amount for the MUNI Metro Turnaround Sewer Relocation Project are as follows:

Original Contract Amount	$174,890
Contract Modifications	66,330
Revised Contract Amount	$241,220
Previously Appropriated Funds for Contractual Services (including 10% contingency of $17,489)	$192,379
Excess of Revised Contract Amount Over Previously Appropriated Funds	$48,841

4. As reflected above, a total of $192,379 was previously appropriated due to the original contract amount of $174,890 plus a ten percent contingency of $17,489. The actual revised contract amount of $241,220 includes contract modifications which resulted in a net increase of $66,330 or 38 percent greater than the original contract amount of $174,890. Therefore, as stated above, Charter Section 7.203 requires authorization of the Board of Supervisors since the contract modification exceeds ten percent of the original contract amount. The $48,841 proposed supplemental appropriation request represents the difference between the previously appropriated funds of $192,379 and the revised contract amount of $241,220.

Recommendation: Approve the proposed ordinance.

Item 7 - File 195-94-1

Department: Sheriff's Department

Item: Resolution amending Resolution No. 96-90, which describes the site and funding of the City's new jail facility at 850 Bryant Street, by deleting the statement of intent by the Board of Supervisors that all the inmates living in the new jail facility shall be enrolled and participating in a work furlough program.

Description: The City is currently constructing a new, 440 bed medium security jail at 850 Bryant Street. The construction of this jail is funded from $36 million in State Proposition 52 Bond funds and $16 million in local Proposition A Bond funds. In December 1993, the Board of Supervisors approved an additional $3.5 million in General Fund monies to complete work on the jail (File 101-93-62), for a total of $55.5 million. The jail is anticipated to be completed in the Summer of 1994.

In February, 1990, the Board of Supervisors approved a resolution restricting the use of the new jail to work furlough inmates only. The current work furlough program serves approximately 50 inmates. According to the Sheriff's Department, approximately 10 to 15 additional inmates are eligible for work furlough (eligibility is determined by the Presiding Judge), but cannot participate in the program because the program is full. Therefore, the total current potential number of work furlough inmates is 65 inmates. The current work furlough facility, located at 930 Bryant Street, is not appropriate for use as a medium security facility, such that the transfer of these work furlough inmates to the new 850 Bryant Street facility would not create additional total capacity.

The new jail has a capacity of 440. Therefore, under the current restriction (that the jail may only be used for work furlough), most of the new jail will be unused. The cost of operating the new jail for 50 to 65 work furlough participants is estimated to be $2 million annually. The cost of operating the facility to its capacity as a mixed use facility (work furlough and medium security inmates) is estimated to be $7.1 million annually.

According to the proposed resolution, since the passage of the 1990 resolution, the City has been held in contempt by the United States District Court (Northern District of California) for overcrowding in the sixth floor jail at the Hall of Justice.

Since September 1992, the City has been ordered by the Court to pay fines of $300 per day for every inmate over a Court-imposed population limit of 426 inmates for the sixth floor at the Hall of Justice facility, resulting in the payment of over $1.9 million in contempt fines, as of December 31, 1993.

The proposed resolution would approve the use of bed space at the new jail facility at 850 Bryant Street without restriction as a correctional facility by deleting the statement of intent by the Board of Supervisors that all of the inmates living in the new jail facility at 850 Bryant Street shall be enrolled and participating in a work furlough program.

Comments:

1. According to Mr. Richard Ridgeway of the Sheriff's Department, the proposed resolution would allow the Sheriff's Department to transfer approximately 270 inmates currently occupying bed space rented from the County of Alameda to 850 Bryant Street. This would result in reduced costs to the Sheriff's Department as follows:

- The contract with Alameda County for 270 jail beds costing approximately $7.0 million a year would be terminated.

- Currently, it requires two deputies working full time to transport inmates to and from Alameda County (three to four two-hour, two-person runs per day). As a result, shortages in deputies to transport inmates to and from other locations, such as the San Bruno Jail, must be made up by using deputies from other jails. This results in a need for paying overtime hours to deputies at the other jails. If the proposed resolution is approved, overtime costs in the jails would be reduced. The amount of these reductions cannot be estimated at this time, since these reductions would be dependent on the extent to which deputies currently work overtime hours to compensate for staff shortages. However, if overtime costs are reduced by 20 hours per week (.5 FTE), assuming a cost of $30 per overtime hour (based on Deputy Sheriff median salary), annual savings would be equal to $31,200. If overtime hours are reduced by 80 hours per week (2.0 FTEs), annual savings would be $124,800.

- An estimated $5,700 annually in savings would also result from reduced fuel and vehicle maintenance costs (based on 25¢ per mile, 25 miles per round trip, 910 trips per year).

2. As noted above, the City pays $300 per inmate per day in fines for each inmate above the Court-imposed population limit at the Hall of Justice facility. Mr. Ridgeway advises that these contempt fines are currently placed into an escrow account and can only be used for new programs to reduce prison overcrowding. The expenditure of these monies may not be used to fund ongoing programs and are subject to appropriation approval by the Board of Supervisors. These funds represent monies over and above the Sheriff's normal budget. According to Mr. Ridgeway, in January 1994, the Sheriff's Office was fined $59,100 for exceeding the Court-imposed population limit, at an average of approximately 6.6 inmates per day ($59,100 in fines divided by 30 days divided by $300 per day). The proposed resolution would allow for the transfer of inmates exceeding the Court-imposed population limit from the sixth floor of the Hall of Justice to 850 Bryant Street, thereby reducing or eliminating fines.

3. Mr. Ridgeway further advises that the reduction of jail overcrowding at the Hall of Justice facility would have the added effect of creating a safer environment for both the inmates and employees.

4. According to Mr. Ridgeway, inmates with medical or psychiatric problems cannot be housed with healthy inmates. As a result, there is an inefficient allocation of resources at the existing medium security facilities. For example, at the Hall of Justice facility, in order to maintain this separation, two pre-existing areas (designed for healthy inmates) had to be converted to house inmates with psychiatric or medical problems. Because there are too few ill patients to fill the converted areas, there are extra beds in the converted areas, which cannot be filled with healthy inmates. If the proposed resolution is approved, all inmates of psychiatric or medical needs from existing medium security facilities would be consolidated at 850 Bryant Street, thereby resulting in a total increase in available jail beds (because of the daily fluctuations in the number of inmates with psychiatric or medical needs, the total increase in the amount of beds cannot be estimated accurately).

5. In summary, if the proposed resolution is not approved, the configuration of the new jail facility and the housing of medium security inmates in other facilities would cost a total of $9,746,100 to $9,839,700 as follows:

- 50 to 65 work furlough inmates at the new facility at 850 Bryant Street, at an estimated annual cost of $2.0 million.

• An average of 6.6 inmates per day over Court-imposed levels at the Hall of Justice facility, at an estimated annual cost in Court-imposed fines of $709,200.

• Rental of 270 beds in Alameda, at an annual cost of $7.0 million.

• Allocation of two deputies to transport inmates to and from Alameda resulting in fuel costs of $5,700 per year and estimated overtime costs of $31,200 to $124,800 per year.

If the proposed resolution is approved, the new jail would operate with 50 to 65 work furlough inmates and 375 to 390 medium security inmates at a total cost of approximately $7.1 million annually. Thus, not approving the proposed resolution would cost $2,646,100 to $2,739,700 more than approving the proposed resolution. In addition to the higher cost, if the proposed resolution is not approved, the combination of the new jail facility at 850 Bryant Street and the 270 Alameda beds would house only a total of 320 to 335 inmates. Approving the proposed resolution would house a total of 440 inmates at lower cost.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Budget Committee
February 9, 1994

Item 8 - File 12-94-3

Item: Resolution urging the Mayor to urge the California State Legislature to amend Section 11927 of the California Revenue and Taxation Code to exempt domestic partnerships from the documentary transfer tax, consistent with the exemption allowed for married couples.

Description: The documentary transfer tax is a tax imposed on any sale of property, where the selling price is over $100. The tax is equal to $2.50 per $500 of the sale price. The budgeted revenue for FY 1993-94 totals $13.7 million, which accrues to the General Fund.

According to the proposed resolution, the City adopted legislation allowing domestic partnerships in order to create a method of recognizing intimate, committed relations, including those of lesbians and gay men, who would otherwise be denied the right to identify the partners with whom they share their lives. The proposed legislation states that the only applicable documentary transfer tax exemption applies to the division of community property between married couples, in accordance with the California Revenue and Taxation Code. The proposed legislation would urge the Mayor to urge the California State Legislation to amend the California Revenue and Taxation Code to exempt domestic partnerships from the documentary transfer tax, consistent with the exemption allowed for married couples.

Comments: 1. According to Mr. Greg Diaz of the County Recorder's Office, the only circumstance pertaining to the documentary transfer tax where married couples are treated differently than domestic partners is in the case of a dissolution of marriage versus the termination of a domestic partnership. Mr. Diaz advises that when couples divorce, a judicial order dividing former community property is established. In the case of domestic partnerships, no judicial order is established, because a domestic partnership is terminated when one partner or both partners sign a form. Termination of a domestic partnership is outside of the judicial process, and the division of property is decided among the partners without the benefit of a judicial moderator.

According to Mr. Diaz, when the Recorder is presented with a judicial order dividing former community property, the Recorder exempts the divorced couple from the transfer tax, in accordance with State law. Mr. Diaz advises that exempting individuals from the transfer tax upon presentation of the Domestic Partnership Termination Form

to the County Recorder, without the benefit of a Judge, would create the possibility for individuals to evade the transfer tax by registering as domestic partners prior to transferring property. Using existing resources it would be impossible to monitor and control such tax evasions, Mr. Diaz reports.

2. Mr. Diaz advises that domestic partnership terminations are not required to be filed with the County Recorder. Therefore, the number of domestic partnership terminations cannot be determined.

3. The loss of revenue from exempting domestic partnerships from the documentary transfer tax cannot be determined at this time, because:

(a) the number of domestic partnership terminations is unknown;

(b) the extent to which former domestic partners transfer property after termination of their partnership, and the value of such property, is unknown; and

(c) the extent to which persons might register as domestic partners for the purpose of evading the transfer tax cannot be determined at this time.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Budget Committee
February 9, 1994

Item 9 - File 101-92-60.2

Department: Fire Department
Department of Public Works (DPW)

Item: Requesting release of reserved funds, for an emergency construction contract to replace a large apparatus door at Fire Station No. 13.

Amount: $53,800

Source of Funds: 1992 Fire Department Bond Issue

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-92-60) on May 17, 1993, which allocated $15,204,533 for the 1992 Fire Department Bond Construction Program for various capital improvement projects. Of the $15,204,533, a total of $10,788,125 was placed on reserve for various contractual services pending the selection of the contractors, and the determination of their MBE/WBE status.

The DPW is now requesting release of $53,800 for the purpose of funding an emergency construction contract.

On December 10, 1993, the Fire Commission declared that an emergency condition existed at Fire Station 13, located at 530 Sansome Street. The emergency condition was caused by one of two large apparatus (i.e., fire suppression vehicle) doors becoming inoperable, requiring that the apparatus door be dismantled in order to release the trapped fire suppression vehicles. In response to the emergency condition, the Fire Department has parked fire suppression vehicles in tandem behind the remaining large apparatus door and located other Fire Department vehicles in the privately-owned vehicle garage area in the Station.

On December 20, 1993, the Board of Supervisors approved legislation authorizing the Fire Department to take necessary measures to replace the broken apparatus door at Fire Station 13 in the most expeditious manner available.

The Department of Public Works (DPW) has selected the firm of Byron Epp, Inc., to perform the required work. According to Mr. Peter Wong of DPW, Byron Epp, Inc., was selected on a sole-source basis because of this firm's proven capabilities and due to the emergency nature of the required work. Mr. Wong reports that Byron Epp, Inc., is neither an MBE nor a

WBE firm and is located in Laguna Niguel and San Carlos, California.

Funds for the project are needed as follows:

Construction Bid	$38,349
Construction Administration	2,500
Construction Management/Inspection	4,830
Construction Contingency	8,121
Total	$53,800

Comments: 1. Mr. Wong reports that DPW issued an order-to-proceed to Byron Epp, Inc., on December 29, 1993, and that a new large apparatus door for Fire Station 13 is expected to be installed and operating by early March of 1994.

2. This proposed release of reserved funds would be the second such release of the $10,788,125 total reserved funds. The Budget Committee previously released reserved funds in the amount of $2,011,000 on October 6, 1993, for the purpose of acquiring property at 1415 Evans Avenue, which would be the new location of the Fire Department's Bureau of Equipment. That left $8,777,125 on reserve. Thus, if this request if approved, a total of $8,723,325 would remain on reserve.

Recommendation: Release reserved funds in the amount of $53,800.

Memo to Budget Committee
February 9, 1994

Item 10 - File 127-94-1

Note: This item was continued by the Budget Committee at its meeting of February 2, 1994.

1. The proposed ordinance would amend Part III of the San Francisco Municipal Code by amending Section 905-A of Article 12A to (a) exclude businesses selling firearms and ammunition from the Small Business Tax exemption and (b) amending Sections 1004.17, 1004.18 and 1005.3 of Article 12-B to establish a new business classification for firearm and ammunition sales, to increase the Gross Receipts tax rate for this classification to three percent as of January 1, 1994.

2. Currently, businesses that sell firearms and ammunition are eligible for the City's Small Business Tax exemption. The Small Business Tax exemption is applied to those businesses whose Gross Receipts and/or Payroll Tax liability does not exceed $1,000 resulting in the businesses not having to pay any business taxes to the City. The proposed ordinance would exclude businesses that sell firearms and ammunition from the Small Business Tax exemption. According to various governmental lists provided by the Police Department, there are 71 businesses licensed to sell firearms and ammunitions in San Francisco. Of these 71 businesses, the Tax Collector's Office identified 22 that are licensed to sell firearms and ammunition and are registered businesses with the Tax Collector's Office. Only one business in San Francisco sells firearms and ammunition exclusively. The Tax Collector's Office advises that the remaining 49 businesses licensed to sell firearms and ammunition may not be currently operating as a business in the City.

The Tax Collector's Office only maintains records on total gross receipts sales and is therefore unable to distinguish firearms and ammunition sales from other sales at businesses licensed to sell firearms and ammunition. Thus, the only revenue estimates the Tax Collector's Office could provide regarding the proposed Gross Receipts Tax rate increase includes non-firearm and ammunition sales.

3. In FY 1992-93, 10 of the 22 businesses qualified for the City's Small Business Tax exemption. Excluding these ten businesses from the Small Business Tax Exemption and under the proposed Gross Receipts Tax rate increase, the Tax Collector's Office estimates that Gross Receipts Tax revenues would increase by approximately $136,000 based on the total gross receipts of these six businesses including non-firearms and ammunition sales.

4. Currently, businesses that sell firearms and ammunition are classified as either Retail Sales or Other Businesses and pay 0.15 or 0.30 percent Gross Receipts Tax rate or $15.00 and $30.00 respectively for the first $10,000 of gross receipts and $1.50 and $3.00 respectively for each additional $1,000 of gross receipts. The proposed ordinance would establish a new business classification for firearm and ammunition sales and increase the Gross Receipts Tax rate from 0.15 or 0.30 percent to three percent or $300 tax on the first $10,000 of gross receipts and $30 for each additional $1,000 of gross receipts.

5. Of the remaining 12 businesses (22 total businesses minus 10 with Small Business Tax exemptions) that are licensed to sell firearms and ammunition and are registered businesses, the Tax Collector has tax payment history on six. Of these six businesses, one pays the Gross Receipts Tax and the other five businesses pay the Payroll Tax. According to the City's Administrative Code, businesses pay either the City's Payroll Tax or the City's Gross Receipts Tax, whichever is higher. The Tax Collector's Office reports that increasing the Gross Receipts Tax rate to three percent could cause the five businesses that currently pay the Payroll Tax to pay the Gross Receipts Tax. Based on that assumption, the Tax Collector estimates that the proposed Gross Receipts Tax rate increase would result in approximately $250,000 annually in additional Gross Receipts Tax revenues, again based on the total gross receipts of these six businesses including non-firearms and ammunition sales.

However, the estimated $250,000 does not include additional Gross Receipts Tax revenues associated with the six businesses for which the Tax Collector does not have tax payment history. Four of these six businesses are new and the other two are delinquent in paying the City's Payroll Tax. Based on the four businesses reported expected Gross Receipts, the Tax Collector estimates an additional $22,000 in Gross Receipts Tax revenues associated with the proposed Gross Receipts Tax rate increase for a total of $272,000 in additional Gross Receipts Tax revenues.

6. According to the proposed ordinance, the increased Gross Receipts Tax rate would only apply to firearms and ammunition sales of businesses that would be classified as Firearms/Ammunition Sales under the proposed ordinance. Thus, any business that includes firearms and ammunition as a part of its inventory would only be required to pay the proposed increased Gross Receipts Tax on firearms and ammunition sales. The other items sold by that business would be subject to their current Gross Receipts Tax rate. As previously noted, only one business in San Francisco sells firearms and ammunition exclusively. As a result, the $272,000 estimated additional revenue associated with the proposed Gross Receipts Tax rate increase includes non-firearm or ammunition sales. Further, the $272,000 revenue estimate assumes that those businesses whose firearm and ammunition sales constitute a portion but not all of their total sales will continue to sell firearms and ammunition after their Gross Receipts Tax on such firearm and ammunition sales has increased from .15 percent to three percent.

Comments:

1. The Tax Collector's Office advises that because the proposed ordinance would increase the Gross Receipts Tax on firearms and ammunition sales only, the Tax Collector's Office may require additional resources in order to enforce this ordinance since separating firearms and ammunition sales from other sales would be time consuming.

2. In sum, the proposed ordinance could result in up to $408,000 of additional Gross Receipts Tax revenues (maximum of $136,000 related to excluding firearms and ammunition businesses from the Small Business Tax exemption and approximately $272,000 related to the Gross Receipts Tax rate increase). However,

as previously noted, these revenue estimates include non-firearm and ammunition sales and, therefore, the actual amount of increased Gross Receipts Tax revenue that would result from the proposed Gross Receipts Tax rate increase would be significantly less since the proposed legislation would result in an increased tax on firearms and ammunition only.

3. It should be noted that if the proposed ordinance is approved, businesses may discontinue selling firearms and ammunition to avoid the Gross Receipts Tax rate increase. The number of businesses that would discontinue selling firearms and ammunition, and therefore the amount of Gross Receipts Tax revenues that would be reduced, cannot be determined at this time.

Recommendation:

The proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

Public Library, Documents Dept.
Attn: Jane Hudson

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BOARD OF SUPERVISORS

BUDGET ANALYST
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February 7, 1994

TO: Joint Budget/Housing & Land Use Committee

FROM: Budget Analyst Recommendations

SUBJECT: February 9, 1994 Joint Budget/Housing & Land Use Committee Meeting

Item 1 - File 97-94-5

Item: Ordinance amending the San Francisco Administrative Code by adding a New Chapter 66A, Sections 66A.1 through 66A.27, to provide regulations for the creation and operation of the Seismic Safety Retrofit Loan Program.

Description: On November 3, 1992, the electorate approved the Seismic Safety Loan Program Bonds in the amount of $350 million to provide funds for the seismic strengthening of privately-owned Unreinforced Masonry Buildings (UMBs). These bond funds will provide financial assistance in the form of loans to owners of UMBs. Item 3, File 170-94-2 of this report is a resolution that would authorize the issuance of the $350 million in General Obligation Bonds for the Seismic Safety Loan Program. In January of 1992, the Board of Supervisors established the Seismic Safety Retrofit Program Board (Program Board) composed of 13 individuals. Six of these 13 members are departmental representatives without voting rights. Of the remaining seven members, one is a member of the Board of Supervisors appointed by the President of the Board of Supervisors and six are appointed by the Board of Supervisors. These seven members have voting rights.

The Program Board was established to make recommendations to the Board of Supervisors regarding regulations to administer the Seismic Safety Loan Program.

The proposed ordinance incorporates the recommendations of the Program Board by amending the City's Administrative Code to establish the Seismic Safety Loan Retrofit Program and to describe the conditions under which the City would lend General Obligation Bond funds to building owners to finance the seismic retrofit of UMBs. The Seismic Safety Retrofit Loan Program is the same as the Seismic Safety Loan Program.

The proposed regulations to establish the Seismic Retrofit Loan Program are as follows:

Program Personnel: The Chief Administrative Officer (CAO) would appoint a Program Administrator that would be funded through the bond funds and would be responsible for the day-to-day management of the Seismic Safety Retrofit Loan Program. In addition, the Program Administrator would select through a Request for Proposal (RFP) process a loan packager, a financial consultant and a loan servicer to 1) prepare loan packages, 2) disburse loan proceeds, 3) monitor the construction process, 4) monitor loan compliance, 5) receive loan payments, and 6) account for such repayments. The loan packager fees would be paid by the borrower with loan funds. The financial consultant and the loan servicer fees would be considered administrative costs and would therefore be paid using bond proceeds.

Lending Criteria: The proposed ordinance establishes underwriting criteria for loan applicants to qualify for below market loans, deferred loans and market rate loans. The proposed ordinance also establishes other criteria such as creditworthiness, scope of experience with rehabilitation projects, and ability and willingness to repay the loan.

Documentation for Seismic Strengthening Loans: Each loan made from the Seismic Safety Loan Program would include documentation such as a loan agreement, a promissory note, a deed of trust, and escrow instructions. The form and content of all loan documents would be reviewed and approved by the City Attorney's Office and the Program Administrator.

Security for Seismic Strengthening Loans: The borrower would be required to execute and deliver a Deed of Trust and assignment of rents on the property to the City as security for the borrower's obligations to repay the loan.

Permissible Loan Amounts and Eligible Uses of Loan Proceeds: Various City departments and the Program Administrator would establish permissible cost ranges for seismic rehabilitation. Using those cost estimates, proposed loan amounts would be based on the type of building and the required seismic strengthening work. Seismic Strengthening Loans could only be used to finance the minimum level of seismic strengthening work required by Chapters 14 and 15 of the City's Building Code with a few exceptions. In addition to funding seismic strengthening direct costs, the loans could be used to: 1) fund replacement and/or restoration of finishes to the building disturbed during construction; 2) abatement of toxic materials disturbed during construction; 3) architectural, engineering, loan packaging fees, etc.; 4) residential relocation costs; and 5) life and safety code compliance and disability access improvements.

Bidding Requirements: Each applicant would be required to obtain at least three qualified bids for all work to be completed using a Seismic Strengthening Loan. At least one of these three bids must be from a City certified MBE or WBE. However, the loan applicant would not be required to accept the MBE or WBE bid nor would the applicant be required to accept the lowest bidder.

Unreinforced Masonry Building Loan Committee: Such a committee would be established to review and approve or disapprove a loan application. The Unreinforced Masonry Building Committee would consist of the following five members that would be appointed by the CAO:

1. The Program Administrator or his/her appointee.
2. A financial expert or mortgage broker.
3. A real estate appraiser or other commercial real estate expert.
4. A finance expert from the Mayor's Officer of Housing or the successor to that Office. If no Office exists, then the finance expert would be assigned from a City department with experience in housing development and finance.
5. An engineering cost estimator.

This loan committee would meet once a month. The proposed ordinance does not indicate whether this loan committee would be reimbursed for time spent at meetings.

Comments:

1. As previously noted, the Seismic Safety Loan Program will provide market rate and below market rate loans. Ms. Kelly Hayden of the CAO's Office reports that the interest rate for the market rate loans is estimated to range between 8.5 and 9 percent. The interest rate for the below market rate loans is estimated to range between 2.5 and 3 percent.

2. The proposed ordinance does not appropriate funds for the Seismic Safety Loan Program. Ms. Hayden advises that the CAO's Office will be submitting a supplemental appropriation ordinance within the next month to appropriate monies for the administrative costs associated with the Seismic Safety Loan Program. These expenditures would include a UMB Administrator position and additional contract administrator and contract monitor positions that would be necessary to implement the Seismic Safety Loan Program. Ms. Hayden reports that the amount of that supplemental appropriation, which requires approval of the Board of Supervisors, has not yet been determined.

The CAO's Office will also be submitting a supplemental appropriation ordinance for approval by the Board of Supervisors to appropriate funds for the Seismic Safety Loans to be made.

3. The proposed ordinance would establish that all individuals performing work financed by a Seismic Safety Loan would not be paid less than $9.00 per hour, excluding overhead and benefits and would receive health coverage of the type and coverage similar to that provided by a Health Maintenance Organization or Kaiser Hospitals. The proposed ordinance would also require that all employees, working on a project financed by a Seismic Safety Loan that exceeds $1 million, be paid the highest prevailing wage for that position.

Further, the proposed ordinance stipulates that contractors performing work financed by a Seismic Safety Loan are required to hire economically disadvantaged San Francisco residents. The regulations regarding hiring economically disadvantaged San Francisco residents would be more fully developed at a later date by the Program Administrator.

4. According to the proposed ordinance, the Program Board would review all aspects of the Seismic Safety Loan Program after one and one-half years after the Program begins to determine whether any amendments would be required.

5. Ms. Leslie Trutner of the City Attorney's Office reports that an Amendment of the Whole will be introduced at the Joint Budget and Housing and Land Use Committee meeting on February 9, 1994 to add clarifying language and to make editorial changes to the proposed ordinance.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 97-94-6

Item: Ordinance amending the City's Administrative Code by amending Section 10.117-110 by changing the name of the Seismic Strengthening Loan Fund to the Seismic Safety Loan Fund and making the administration of that fund consistent with the documents that authorized issuance of bonds under the Earthquake Loan Bond Program.

Description: The Seismic Safety Loan Fund is referred to in the City's Administrative Code as both the Seismic Strengthening Loan Fund and the Seismic Safety Loan Fund. To make the name of the Seismic Safety Loan Fund consistently used in the City's Administrative Code, the proposed ordinance would change the name of the Seismic Strengthening Loan Fund to the Seismic Safety Loan Fund. The Seismic Safety Loan Fund is a special fund that has been established to provide loans for seismic strengthening of privately-owned Unreinforced Masonry Buildings (UMBs). Item 3, File 170-94-2 of this report is a resolution that would authorize the issuance of $350 million in General Obligation bonds. These bond funds would be deposited into the Seismic Safety Loan Fund.

The proposed ordinance also amends the City's Administrative Code to add language to make administration of the Seismic Safety Loan Fund consistent with the proposed resolution (Item 3, File 170-94-2 of this report) authorizing issuance of bonds under the Seismic Safety Loan Program.

Recommendation: Approve the proposed ordinance.

Item 3 - File 170-94-2

1. The proposed resolution would provide for the issuance of $350 million in General Obligation bonds for the Seismic Safety Loan Program, including the initial sale of $35 million of these bonds. The total $350 million of Seismic Safety Loan Program Bonds were approved by the electorate on November 3, 1992.

2. The $350 million of Seismic Safety Loan Program Bonds would provide funds for the seismic strengthening of privately-owned Unreinforced Masonry Buildings (UMBs). These bond funds will provide financial assistance in the form of loans to owners of UMBs. Of the $350 million of bond principal, two-thirds or $233 million will be paid off by loan payments made by UMB owners and one-third or $117 million will be paid off by property taxes. Property owners will pay the majority of the seismic strengthening costs. The eligible uses of the loans to be provided from the bond funds are: (a) construction costs; (b) other Building Code requirements that are caused by the seismic strengthening work, including handicapped accessibility modifications; and (c) fees for architects and engineers, that are associated with construction work. Item 1 (File 97-94-5) of this report is an ordinance to amend the City's Administrative Code to provide regulations for the creation and operation of the Seismic Safety Loan Program, including detailed eligible uses of the loans.

3. The Seismic Safety Loan Program Bonds are to be issued in several series not to exceed $35 million in any one year up to the total principal amount of $350 million with a rate of interest not to exceed 12 percent. The Seismic Safety Loan Program Bond Funds are to be designated the City and County of San Francisco General Obligation Bonds, Series 1994A. In addition, to providing for the issuance of the $350 million Seismic Safety Loan Program Bonds and the initial sale of $35 million of these bonds, the proposed resolution would provide the following:

- Levy of a tax to pay the principal and interest on the bonds.
- Establishment of 1) the Loan Repayment Fund to receive loan repayments; 2) the Series A Loan Account and the Series A Costs of Issuance Account to deposit the proceeds from the Series A Bond; and 3) the Series A Bond Fund to deposit all taxes collected in connection with the bond issuance.
- Specifying the terms and form of the bond issuance and authorizing the preparation of the bonds. The Series 1994A will pay interest not to exceed 12 percent per year and will mature on June 15, 2014. Interest will be paid semi-annually beginning December 15, 1994.
- Approval of forms of official notice relating to the sale of these bonds and directing the publication of such notice. The sale is to be held on September 1, 1994.
- Approval of the purchase contract form.

- Approval of the official statement relating to these bonds. Copies of the official statement containing the particulars of the bond sale shall be available to all bidders.

- Consent to the submission of bids by the financial consultants and authorizing official action. Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City. Such award must be approved by the Board of Supervisors.

- Grant general authority to City officers to take necessary actions in connection with the authorization, issuance, sale and delivery of Series 1994A Bonds as well as authorizing reimbursement of expenditures.

Comments

1. According to Ms. Diana Fitzpatrick of the City Attorney's Office, the proposed resolution meets the technical requirements for issuing and selling General Obligation bonds that have already been approved by the electorate. Approval of this resolution would not authorize any expenditures but would only permit the issuance of the bonds, sale of the bonds and the depositing of bond proceeds in the designated Special Funds.

2. The proposed resolution states that the bonds will not exceed a maximum interest rate of 12 percent. However, Ms. Kelly Hayden of the CAO's Office reports that the bonds would most likely be sold at approximately a 7 to 7.5 percent interest rate.

3. All future appropriations of these Bond Fund monies would be subject to the separate appropriation approval by the Board of Supervisors through Supplemental Appropriation Ordinances.

Recommendation

Approve the proposed resolution.

Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Bierman
President Alioto
Supervisor Maher
Supervisor Shelley
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

Memo to Budget Committee
February 9, 1994

Budget Analyst Recommendations

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Item 5 - File 97-93-51.1

Note: This item was continued from the Budget Committee meeting on January 19, 1994.

Department: Assessment Appeals Board

Item: Ordinance amending Chapter 2B of the San Francisco Administrative Code by (1) adding Section 2B.1.2 to incorporate by reference applicable provisions of the California Constitution and State Statute, (2) amending Section 2B.3 to make technical changes, (3) amending Section 2B.5 to increase the compensation of Board Members fees from $100 per day to $200 per day, (4) adding Sections 2B.9 and 2B.10 to require payment of a fee for filing and hearing applications for reduced assessments with the Assessment Appeals Board, (5) adding Section 2B.11 to increase the fee for written findings of fact and conclusions and (6) adding Sections 2B.12 through 2B.19 to create an additional Assessment Appeals Board and provide for the appointment of an unspecified number of Assessment Hearing Officers.

Description: The proposed ordinance under "findings", states that the number of assessment appeals filed by taxpayers with the Assessment Appeals Board has increased substantially in recent years from 509 appeals in 1989 to more than 6,000 in 1993. Ms. Marilyn Cosentino, Assessment Appeals Board Administrator, concurs with this finding. According to the proposed ordinance, this increase in the number of assessment appeals filed has resulted in increased operating costs to the Assessment Appeals Board because the three members of the Board, who are paid $100 per day, have had to increase their number of days worked. Additionally, according to the proposed legislation, the Board's overhead costs, clerical costs, costs for reproduction of audio-tapes and graphics, and legal fees have also increased.

Under the proposed ordinance, Chapter 2B of the Administrative Code would be amended to stipulate the following:

1. Section 2B.3, which outlines regulations regarding Assessment Appeals Board membership and selection, would be amended to provide that the Board of Supervisors as an alternative to the nomination and selection procedure provided in Section 1623 of the California Revenue and Taxation Code, does hereby elect to fill vacancies on the Assessment Appeals Board in the manner prescribed by

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Section 1623.1 of the California Revenue and Taxation Code. The City Attorney advises that this represents a technical change to conform to the existing practice of the Board of Supervisors.

2. Section 2B.5 would be amended to increase the compensation of members of the Assessment Appeals Board from the current $50 for each one-half day of service or $100 per full day to $100 for each one-half day of service or $200 per full day. The current compensation of members of the Assessment Appeals Board is substantially below the compensation paid to members of Assessment Appeals Boards in counties of comparable size and importance. The compensation per day of members of the Assessment Appeals Boards in the following four Bay Area counties is as follows: Alameda County ($150), Marin County ($200), Contra Costa County ($150) and Santa Clara County ($200). According to Mr. Andrew Schwartz, Deputy City Attorney, members of Assessment Appeals Boards in other counties in California comparable in size to San Francisco, such as San Diego, Los Angeles and Santa Clara, receive at least $200 each per day in compensation.

3. A new Section 2B. 1.2 would be added to incorporate by reference applicable provisions of the California Constitution and State Statute, in order to clarify that this legislation is intended to be compatible with State law.

4. A new Section 2B. 9 would be added to provide that an applicant filing for a reduced assessment shall pay a $30 non-refundable processing fee to the Assessment Appeals Board at the time of filing an application with the Board. A separate filing fee would be required for each application filed. Section 2B.9 would further provide that this filing fee shall be waived where the applicant is indigent, pursuant to California Government Code Section 68511.3.

Currently, there is no fee required to file an appeal with the Assessment Appeals Board.

5. A new Section 2B. 10 would be added to provide that where an application is not withdrawn at least 30 days prior to the date that a hearing has been scheduled by the Assessment Appeals Board, the applicant must pay a hearing fee, at least 30 days prior to the hearing date, to the Assessment Appeals Board. Currently, no hearing fee is charged. Since the Assessment Appeals Board's cost to hear and determine an appeal generally increases in direct proportion to the assessed value of the property affected by

the appeal, the hearing fee for an assessment appeal would be based on the current assessed value of the property affected by the appeal. According to Ms. Cosentino, the hearing fee would not exceed the Assessment Appeals Board's total cost to hear and determine the appeal. The following is the proposed schedule for hearing fees along with Ms. Cosentino's conservative estimate of the cost to process an appeal:

Assessed Property Value	Estimated Minimum Cost to Process an Appeal	Proposed Hearing Fee	Excess of Cost Over Fee
$250,000 or less	-	No Charge*	-
$250,001 - $2,000,000	$77	$50	$27
$2,000,001 - $10,000,000	137	100	37
$10,000,001 - $20,000,000	277	250	27
$20,000,001 - $50,000,000	400	400	0
$50,000,001 - $100,000,000	637	600	37
More than $100,000,000	1,200	1,200	0

* For properties assessed at $250,000, the estimated cost to process an appeal is $37, which would be covered under the proposed filing fee of $30 provided for under the proposed new Section 2B. 9

Section 2B.10 would further provide that (1) where an applicant files two or more applications at the same time affecting the same property for the same tax year, the applicant shall be liable for a single hearing fee based on the sum of the current assessed value of all property contained in the appraisal unit, (2) revenues generated by the filing fee (as provided for under Section 2B.9) shall be used exclusively to pay for the Assessment Appeals Board's operating costs, (3) the hearing fee shall be refunded to an applicant if the Assessor lowers the assessed value of the property following the hearing and (4) the hearing fee shall be waived if the application concerns residential property and the applicant elects to have the appeal heard by a hearing officer pursuant to Sections 2B.14 - 2B.18. The hearing fee would be waived under this latter provision because a hearing conducted by a single Hearing Officer involves less cost to the City than a hearing conducted by the three-member Assessment Appeals Board. According to Mr. Schwartz, waiving the hearing fee for hearings conducted by a Hearing Officer would serve as an added incentive for applicants to consider a hearing before a Hearing Officer as opposed to the Assessment Appeals Board, thereby reducing the cost to the City. The proposed

legislation provides that if the applicant subsequently applies for a hearing before the Assessment Appeals Board, the applicant shall pay the hearing fee required by this Section. However, if the Assessor subsequently applies for a hearing, the applicant shall not be required to pay the hearing fee.

6. A new Section 2B. 11 would be added to provide that the fee payable to the Assessment Appeals Board for the preparation of findings of fact, pursuant to California Revenue and Taxation Code Section 1611.5, shall be in accordance with the following schedule:

Assessed Value of Property	Fee
$0 - $1,000,000	$100
$1,000,001 - $2,000,000	$125
$2,000,001 - $5,000,000	$150
$5,000,001 - $10,000,000	$500
$10,000,001 - $20,000,000	$750
More than $20,000,000	$1,000

Section 2B. 11 would also provide that (1) revenues generated by the above-noted fee for findings of fact, shall be used exclusively to pay for the Assessment Appeals Board's operating costs and (2) if the City Attorney assists the Assessment Appeals Board in preparing findings of fact, revenues generated from this fee shall be credited to the City Attorney based on the actual amount of time expended by the City Attorney in advising the Board with respect to the findings.

In 1988, the Budget Analyst conducted a study of the reasonable cost to the Assessment Appeals Board to prepare written findings and conclusions entitled " Budget Analyst's Cost Analysis of Assessment Appeals Board Findings of Fact," contained in File 129-88-1. The Budget Analyst concluded in this study that the Assessment Appeals Board's cost of providing written findings of fact and conclusions, not including the time that would ordinarily be spent to process an assessment appeal, was in the range of $137 to $167 for the average appeal. As a result of this study, the Board of Supervisors increased the fee for written findings of fact and conclusions from $10 to $75 (Resolution No. 22-89) for all applications, regardless of the value of the property.

The Budget Analyst has updated the 1988 study in a memorandum entitled "Updated Cost Analysis of

Assessment Appeals Board Findings of Fact," dated January 8, 1993, finding that the cost to prepare written findings of fact and conclusions for the average assessment appeal has increased to between $147 and $177.

The proposed ordinance would increase the fee amount for findings of fact, based on the above noted fee schedule, from the current fee of $75 per application, regardless of property value.

7. A new Section 2B. 12 would be added to provide that pursuant to Article XIII, Section 16 of the California Constitution, one additional Assessment Appeals Board would be created, which will be designated Assessment Appeals Board Number 2.

8. A new Section 2B. 13 would be added to provide that the proposed Assessment Appeals Board Number 2 shall hear all applications for reduced assessments which are filed for residential properties consisting of 12 units or less with no commercial component above the first floor. Assessment Appeals Board Number 1 (the existing Board) shall hear all other applications for reduced assessments. With the exception of the difference in the type of applications heard by each Board, Assessment Appeals Board No. 2, shall have the same duties currently prescribed for the existing Assessment Appeals Board. As is the case with the existing Board, Assessment Appeals Board No. 2 will consist of three permanent members and three alternates. The members of Assessment Appeals Board No. 2 will be compensated at the same level as are the members of the existing Board. This Section further provides that the Clerk of the Board of Supervisors shall serve as Clerk and Administrator of Assessment Appeals Board No. 2 and perform the same duties for this Board as it currently performs for the existing Assessment Appeals Board.

If the proposed Assessment Appeals Board is created there would be a total of six Board members and six alternates (three members plus three alternates for each Board). The cost of the two Assessment Appeals Boards would be determined by the number of days worked by the Board members. For FY 1994-95, Ms. Cosentino is proposing to budget a total of 150 days of service or 80 days more than the 70 days currently budgeted. Based on the members being compensated at the proposed rate of $200 per full day, the total cost would be $90,000 annually (3 Board members x 150 days x $200). The Assessment Appeals Board currently spends $21,000 for Board member

compensation (3 Board members x 70 days x $100 per day). According to Ms. Cosentino, the additional Board would provide greater flexibility with regard to setting hearings because there would be a larger pool of Board members to draw from.

Mr. John Taylor, Clerk of the Board of Supervisors advises that, other than the additional cost of compensation for the Board members and a possible undetermined increase in costs connected with the Equalization Clerk assigned to the Assessment Appeals Board, the addition of one Assessment Appeals Board would have no fiscal impact on the Clerk of the Board's budget. The Equalization Clerk, which is responsible for recording the procedures at the hearings of the Assessment Appeals Board is currently budgeted for $17,634 through February 28, 1994.

9. A new Section 2B. 14 would be added to provide that, pursuant to Article 1.7 of Chapter 1, Part 3, Division 1 of the California Revenue and Taxation Code, the Board of Supervisors may appoint one or more Assessment Hearing Officers for a specified time period to conduct hearings on applications for reduced assessments filed with the County Board of Equalization and to make recommendations to an Assessment Appeals Board concerning such applications. Currently, there are no Hearing Officers. Section 2B.14 would also provide that the Board of Supervisors shall select the first six Hearing Officers from among the alternate members of the Assessment Appeals Boards Nos. 1 and 2 (as noted above, the proposed legislation provides for the appointment of one or more Hearing Officers). Any additional Hearing Officers shall be selected from among the permanent members of the Assessment Appeals Boards. This Section would further provide that the Assessment Hearing Officers would be compensated at the same rate proposed for Assessment Appeals Board members under Section 2B. 5 ($100 per half day or $200 per day). Additionally, the Clerk of the Board would serve as Clerk and Administrator to any Assessment Hearing Officer appointed and would perform the same duties, as outlined in Section 2B. 7, for the Hearing Officers, as are currently performed for the Assessment Appeals Board members.

Ms. Cosentino advises that the selection of the Hearing Officers from among the alternates and, if need be, the permanent members of the Assessment Appeals Boards is desirable because (1) it would permit the Hearing Officers to be selected in an expeditious manner which is necessary given the large volume of assessment appeals that currently

have to be processed, (2) the alternates and permanent Board members have proven expertise in conducting the necessary hearings, (3) the alternates would have the opportunity, which some desire, to increase the number of days of service they provide. Ms. Cosentino advises (1) that the decision to serve as a Hearing Officer would be entirely voluntary on the part of the alternates and permanent Board members and (2) that choosing to serve on an as needed basis as Hearing Officers would not alter their status as alternates and permanent members of the Board. Ms. Cosentino notes that the vast majority of the assessment appeals to be processed fall under the category of appeals that can be heard by Hearing Officers (i.e., single-family or multiple-family dwellings of four units or less).

10. A new Section 2B. 15 would be added to provide that hearings conducted before an Assessment Hearing Officer shall be conducted pursuant to the provisions of Article 1.7 of the California Revenue and Taxation Code. Additionally, this Section would provide that an Assessment Hearing Officer may conduct hearings on applications where (1) the applicant has filed an application in accordance with applicable law, (2) the property under consideration is a single-family dwelling, condominium, or cooperative, or a multiple-family dwelling of four units or less, and (3) the applicant has requested that the hearing be held before an Assessment Hearing Officer. The Clerk of the Board shall inform applicants of their right to elect to have a hearing before a Hearing Officer.

If the proposed ordinance is approved, Ms. Cosentino is proposing to budget for a total of 25 full days of service for two Hearing Officers (as noted above, the proposed legislation provides for the appointment of one or more Hearing Officers). Based on the two Hearing Officers being compensated at the proposed rate of $200 per full day, the total cost would be $10,000 annually (2 Hearing Officers x 25 days x $200 per day).

According to Mr. Taylor, other than the additional costs associated with the compensation of the proposed Hearing Officers and the possible undetermined increase in costs associated with the Equalization Clerk noted above, the proposed Hearing Officers would have no fiscal impact on the Clerk of the Board's budget.

11. A new Section 2B. 16 would be added to provide that, pursuant to Section 1639 of the California Revenue and

Taxation Code, the Assessment Hearing Officer must prepare a summary report of the proceedings together with a recommendation on the application and transmit this report and recommendation to the Clerk of the Board.

12. A new Section 2B. 17 would be added to provide that, pursuant to Section 1640.1 of the California Revenue and Taxation Code, the Clerk of the Board shall transmit by mail to the applicant and to a designated Assessment Appeals Board member the Hearing Officer's report and recommendation (required under Section 2B. 16). The applicant must be informed that the Assessment Appeals Board is not bound by the recommendation of the Assessment Hearing Officer and that he or she is entitled to a full hearing before the Assessment Appeals Board.

13. A new Section 2B. 18 would be added to provide that the protesting party or the Assessor may, within 14 days after the mailing of the Hearing Officer's report and recommendation, apply for a hearing before the Assessment Appeals Board. The Assessment Appeals Board may consider, but would not be bound by, the recommendation of the Assessment Hearing Officer. If no application for a hearing is filed within the designated 14 days, the Assessment Appeals Board shall without further testimony, either accept the recommendation of the Hearing Officer and make any necessary change in the assessed value of the property or reject the recommendation and set the application for a reduced assessment for a hearing before the Assessment Appeals Board.

14. A new Section 2B. 19 would be added to provide that commencing two years after the effective date of this Section and every two years thereafter, the Clerk of the Board shall report to the Board of Supervisors on (1) the number and type of assessment appeals which are filed, (2) the adequacy of the number of Assessment Appeals Boards to process the appeals effectively and (3) the adequacy of the filing, hearing, and findings of fact fees to pay for the City's costs to process the assessment appeals.

Comments:

1. In summary, the major provisions of the proposed ordinance include (1) increasing the compensation of Assessment Appeals Board members from the current $50 for each one-half day of service or $100 per full day to $100 for each one-half day of service or $200 per full day, (2) the establishment of a $30 non-refundable processing fee to be required for each application filed with the Assessment Appeals Board, (3) the establishment of a hearing fee that

would range from a minimum of $50 to a maximum of $1,200 based on the assessed value of the property, (4) an increase in the existing fee of $75 for the preparation of findings of fact by the Assessment Appeals Board (the fee would range from a minimum of $100 to a maximum of $1,000 based on the assessed value of the property), (5) the creation of one new Assessment Appeals Board consisting of three members to be appointed by the Board of Supervisors and (6) the appointment of one or more Hearing Officers by the Board of Supervisors. These Hearing Officers would be compensated at the same rate proposed for Assessment Appeals Board members.

2. As noted above, the existing Assessment Appeals Board members are budgeted to work for 70 full days in FY 1993-94. These Board members currently receive $50 per one-half day of service or $100 per full day, for a total annual cost of $21,000 (3 Board members x 70 days x $100 per day) for FY 1993-94. Based on the representation of Ms. Cosentino, there would be a total of 150 days of service budgeted for the Assessment Appeals Board members and 25 days budgeted for two Assessment Hearing Officers, for FY 1994-95. Both of these classifications would be paid $200 per day under the proposed legislation. If such budgets are approved, the total annual costs would be $100,000 ($90,000 for the Assessment Appeals Board members - 3 members x 150 days x $200 per day plus $10,000 for the Assessment Hearing Officers - 25 days x 2 Assessment Hearing Officers x $200 per day). Therefore, the total estimated increased annual costs would be $79,000 ($100,000 less $21,000).

3. Based on the 6,561 applications filed with the Assessment Appeals Board in calendar 1993, a total of $196,830 in new revenue would have been generated by the proposed $30 non-refundable processing fee ($30 x 6,561 applications).

4. Of the 6,561 applications filed for 1993, thus far 58 hearings have been held. Based on the proposed fee schedule for hearings conducted by the Assessment Appeals Board, the total estimated new revenue that would have been generated in 1993, as a result of the 58 hearings held thus far, is as follows:

Assessed Property Value	Number of 1993 Hearings	Hearing Fee	Estimated Revenue
$250,001 - $2,000,000	53	$50	$2,650
$2,000,001 - $10,000,000	4	100	400
$10,000,001 - $20,000,000	1	250	250
$20,000,001 - $50,000,000	0	400	0
$50,000,001 - $100,000,000	0	600	0
More than $100,000,000	0	1,200	0
Total	58		$3,300

It should be noted that of the 58 hearings held, 55 involved applications which were withdrawn prior to the hearing date. Under the proposed ordinance, if an applicant withdraws an application at least 30 days prior to the hearing date, he or she would not be subject to the hearing fee. The Assessment Appeals Board was unable to determine, as of the writing of this report, how many, if any, of the 55 applications which were withdrawn, were done so at least 30 days prior to the hearing date.

5. In 1993, 21 applications for written findings of fact were processed by the Assessment Appeals Board at the existing fee of $75 per application, for a total of $1,575 in revenue. Based on the proposed fee schedule for preparation of finding of facts, the total revenue, which would have been generated in 1993 for the 21 applications, is $17,500 (or $15,925 in additional annual revenues) as follows:

Assessed Value of Property	Applications Filed	Fee	Estimated Revenue
$0 - $1,000,000	0	$100	$0
$1,000,001 - $2,000,000	0	125	0
$2,000,001 - $5,000,000	0	150	0
$5,000,001 - $10,000,000	4	500	2,000
$10,000,001 - $20,000,000	6	750	4,500
More than $20,000,000	11	1,000	11,000
Total	21		17,500

6. Attached is a letter from the members of the existing Assessment Appeals Board which outlines several issues in support of the proposed legislation.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

ASSESSMENT
APPEALS BOARD

Rm. 2C
City Hall
San Francisco 94102
554-6778

TO: Hon. Angela Alioto
President, Board of
Supervisors; and Members
of the Board

FROM: Assessment Appeals Board

SUBJ: Sup. Kaufman's AAB Legislation

DATE: 1-28-94

On Wednesday, 2-2-94, the Budget Committee will consider legislation submitted by Sup. Kaufman re the Assessment Appeals Board (AAB). We would respectfully like to point out several important issues in support of this legislation. This legislation benefits the Board of Supervisors since the AAB will be administered in a more cost-effective manner.

Since its inception in 1966, the AAB has not charged a fee to property owners for either filing an appeal or hearing a property tax case. San Francisco's AAB may be one of a very few of the City's administrative Boards to not charge a fee. AABs in other jurisdictions charge such fees.

The AAB has been inundated with property owners filing for tax relief. Even though the vast majority of these appeals are single-family or small apartment properties the most significant cases involve major downtown, financial district, and South of Market commercial properties. Substantial revenue to the City is at stake in each of these complex appeals.

The Assessor has recommended substantial reductions in her valuations of the major properties in the above mentioned areas. After careful scrutiny and consideration of relevant evidence, the AAB has often rejected the Assessor's recommended lower values for property in the downtown and Central Business District.

Such action by the AAB has resulted in dramatic savings to the City in property tax revenue as compared to what the City would lose if the Assessor's recommendations were rubber stamped.

The legislation authored by Sup. Kaufman is emphatically endorsed by each of the permanent members of our Board. This legislation will reduce the burden that both the Assessor and large property owners are placing on our Board.

As a result of the AAB's policy to scrutinize the Assessor's recommendations, the property owners of large, multi-million dollar properties (always represented by counsel, appraisers, and accountants) are exercising their perrogative of requesting findings of fact in cases that adversely jeopardize their property taxes. The findings of fact fee, for over 20 years a mere $10.00, was only recently increased to $75.00.

This fee is far from commensurate or equitable to the City. It is important to point out that findings of fact are rarely, if ever, requested in single-family properties and remotely requested in multi-unit residential properties. The net effect is that the multi-million dollar properties represent the overwhelming majority of the cases that make such a request.

Findings of fact would be used by a property to appeal the AAB's decision to the Superior Court. Consequently, these findings, prepared by the Board members, require time spent in research and review of the submitted evidence. The proposed new fee schedule for findings of fact are not only fair but will end the subsidy the citizens of San Francisco have been granting the multi-million dollar properties which challenge the City's property tax revenue.

Sup. Kaufman has properly made an allowance in her legislation for waiver of fees to hardship cases. We agree with that provision and believe this will obviate an argument that the fees are onerous.

Should the Budget Committee disagree on creating a second Appeals Board we would not object. We are willing to deal with the caseload as one Board. However, we believe the thrust of Sup. Kaufman's legislation (fees) will generate income to the City and bring our Board into the 21st century.

Attached to this memo is a partial list of downtown properties that have been heard and decided by our Board during the current session. You will undoubtedly note the significant differences we have had with the Assessor. You will also see the amount of General Fund revenue the City would be losing if the Assessor's recommendations had been blindly approved.

We appreciate the opportunity to bring this matter to your attention. We plan to attend the Budget Committee hearing on 2-2-94 to respond to any questions you may have. Thank you for your consideration.

Respectfully submitted,

Samuel Martinez

Mark Hagopian

Peter Fatooh

Attachment

PROPERTY & ADDRESS	VALUE ON TAX ROLE	ASSESSOR'S RECOMEN.	AAB DECISION
1. 311 California ** Robert Dollar Bldg.	22,633,654	16,500,000	22,633,654
2. 255 California ** Industrial Indemnity	38,538,401	25,390,000	31,000,000
3. 430 California ** Bank of California	48,468,557	31,900,000	40,000,000
4. 50 Third St. ** ANA Hotel	98,332,745	70,000,000	90,000,000
5. 4th & Mission *** Marriott Hotel	302,132,160	242,622,500	To be heard 3-29-94

** Assessor's recommendation accepted by the taxpayer but denied by the AAB based on the assessor's presentation.

*** Assessor's recommendation was denied by the AAB (accepted by the taxpayer) and will be heard in March, 1994.

Pres. Alioto
AAB/Attachment to memo of 1-28-94

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CALENDAR . . . ACTION TAKEN

SPECIAL BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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MONDAY, FEBRUARY 14, 1994 - 1:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 60-94-1. [Special Election, June 7, 1994] Ordinance calling and providing for a Special Election to be held in the City and County of San Francisco, Tuesday, June 7, 1994, for the purpose of submitting to the voters of the City and County of San Francisco a proposition to incur the following bonded debt of the City and County for the acquisition, construction or completion by the City and County of San Francisco of the following Municipal Improvements, to wit: ninety-five million dollars ($95,000,000) for acquisition, construction and/or reconstruction of certain improvements for the San Francisco Unified School District; and that the estimated cost of City and County of said Municipal Improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated costs of such Municipal Improvements; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on said bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; prescribing notice to be given of such election; and providing that the election precincts, voting places and officers for election shall be the same as for such General Election. (Chief Administrative Officer)

ACTION: Hearing held. RECOMMENDED to Board as Committee Report for Monday, February 14, 1994. Supervisor Alioto added as sponsor.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 11, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: February 14, 1994 Special Budget Committee Meeting

Item 1 - File 60-94-1

Item: Ordinance calling and providing for a Special Election to be held on Tuesday, June 7, 1994 for the purpose of submitting a proposition to incur $95 million of General Obligation bonded indebtedness to the voters of San Francisco for acquisition, construction and/or reconstruction of certain improvements for the San Francisco Unified School District.

The proposed ordinance states that the estimated cost of these municipal improvements will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed by the annual tax levy.

Further, the proposed ordinance recites the estimated costs of such municipal improvements, fixes the date of the election for June 7, 1994, and specifies the manner of holding the election and the procedure for voting for or against the proposition. In addition, the proposed ordinance fixes the maximum interest rate of not more than 12 percent on these bonds and provides for the levy and collection of taxes to pay for these General Obligation bond's principal and interest. And finally, the proposed ordinance prescribes that notice be given of the election and consolidates the proposed Special Election with the June, 1993 General Election, such that election precincts, voting places and officers are the same as for the General Election.

Comments:

1. The Controller's Office anticipates that, based on the assessment rolls of July 1, 1993, the sale of the proposed bonds would result in an impact on the tax rate of approximately $.0148 per $100 of assessed value. At this rate, the owner of a house assessed at $257,000 would pay $37 in additional property taxes in 1994-95. The bonds would be repaid over a 20-year period.

2. As previously reported, the proposed $95 million General Obligation bond for the School District would reduce the City's existing debt limit, varying by the amount of debt issued each year. Mr. Steve Nelson of the Chief Administrative Officer's (CAO's) Office reports that, in response to a request by the Budget Committee, the San Francisco Unified School District has written a letter to the CAO indicating the School District's willingness to cooperate with the CAO's Office in issuing the $95 million of bonds, if the proposed bond measure is approved by the voters.

3. However, at the January 12, 1994 Budget Committee meeting, representatives from the CAO's Office discussed the City's debt limit with the Budget Committee. As reported, over the next nine years (1994-95 through 2002-03), there will be a total of $790 million of additional debt capacity available to the City at the maximum prudent debt limit, as estimated by the CAO's Office. But, the CAO's Office has also identified 13 potential future tax supported General Obligation debt issues totalling $1,767,400,000 including the proposed $95 million School District bond measure and including the two other General Obligation bond measures scheduled for the June, 1994 ballot (911 Project for $60 million and the Increase in the City of San Francisco Finance Corporation's Limit for $20 million).

4. Mr. Victor Castillo of the City Attorney's Office advises that, according to State law, the proposed ordinance must be adopted by a two-thirds majority of the Board of Supervisors.

5. San Francisco voters must approve the proposed bond measure by a two-thirds majority in order to authorize the issuance of these General Obligation Bonds.

6. Mr. Greg Ridenour of the Registrar of Voters Office reports that the $95 million General Obligation bond measure would be combined with the June 7, 1994 General Election. The June 7, 1994 General Election is scheduled to

include the Statewide Primary elections and various local elections and propositions.

7. Page 2 and 3 of the proposed ordinance references a Resolution approved by the Board of Supervisors but does not identify the Resolution Number. The proposed ordinance should be amended on page 2, line 22 and page 3, line 10 to read Resolution No. 50-94.

8. The Board of Supervisors approved a resolution (File 170-93-4) in January, 1994 which determined the public interest and necessity of the $95 million General Obligation Bond for the San Francisco Unified School District. However, when this resolution was approved, the Budget Committee requested more detailed information from the San Francisco Unified School District regarding additional cost details. As of the writing of this report, the School District has not provided such additional cost details to the Board of Supervisors.

Recommendation: Amend the proposed ordinance as discussed in Comment 7 above.

Approval of the proposed amended ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR - ACTION TAKEN

BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 16, 1994 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR BIERMAN FOR ITEM #4

CLERK: MARY L. RED

1. File 114-94-1. [Unreinforced Masonry Building Appeals Board] Ordinance amending Building Code by amending Sections 203(i), 204(a), 212(d), 333.5 and 1405 and adding Section 1408 to establish an Unreinforced Masonry Building (UMB) Appeals Board and establishing fees therefor. (Supervisor Hsieh)

   ACTION: Consideration continued to call of the chair.

2. File 215-94-1. [Local Building Contract Awards] Hearing to consider awards to out of state contractors of local buildings, including the Museum of Modern Art, county jail, library and other buildings. (Supervisor Alioto)

   ACTION: Hearing held. Consideration continued to call of the chair.

3. File 166-93-5. [Sale of Tax-Defaulted Property] Resolution authorizing the sale of certain tax-defaulted property located at 2710A Harrison Street, Assessor's Parcel No. 24 3640 003, to the Mission Housing Development Corporation; and providing for the execution of documents in connection therewith; and ratifying previous actions taken in connection therewith. (Supervisor Alioto)

   ACTION: Consideration continued to call of the chair.

4. File 253-92-2. [Workers Compensation Task Force] Hearing to consider the action plans of the Workers Compensation Task Force. (Supervisors Hsieh, Conroy, Shelley, Kennedy)

   ACTION: Hearing held. Consideration continued to March 16, 1994. Supervisor Alioto added as cosponsor. (Supervisor Bierman absent)

5. File 127-94-1. [Firearms and Ammunition Business Tax] Ordinance amending Part III of the Municipal Code by amending Section 905-A of Article 12A to exclude businesses selling firearms and ammunition from the Small Business Tax exemption and amending Sections 1003, 1004.17, 1004.18 and 1005.3 of Article 12-B to establish a new business classification for firearm and ammunition sales, to establish a tax rate for this classification of 3 %, as of January 1, 1994, for the total gross receipts received by any business which receives any gross receipts from the sale of firearms and ammunition, and to exclude businesses with gross receipts from the sale of firearms and ammunition from eligibility for the small business exemption. (Supervisor Migden) (Continued from 2/9/94)

   ACTION: Hearing held. Amendment of the Whole (as presented by Supervisor Migden) adopted. Same title. (Supervisor Bierman added as cosponsor). Recommended to Board for consideration as Special Order - Public Hearing at 3:00 p.m. on March 7, 1994.

6. File 101-93-2.5. [Annual Appropriation Ordinance, Amend] Ordinance amending the Administrative Provisions of the Annual Budget and Appropriation Ordinance to reflect the Charter changes resulting from the voters' approval of Proposition L in the November 1993 election (create Human Resources Department). (Supervisor Kaufman)

   ACTION: Hearing held. RECOMMENDED.

7. File 101-93-2.6. [Annual Appropriation Ordinance, Amend] Ordinance amending Annual Appropriation Ordinance No. 241-93 by amending Sections 1 through 32 to reflect the organizational and administrative changes approved by the voters' enactment of Proposition L in the November 1993 election (create Human Resources Department). (Supervisor Kaufman)

   ACTION: Hearing held. Amended on page 9, line 1 by replacing "general manager, personnel" with "Human Resources Director".
   Same title. RECOMMENDED AS AMENDED.

8. File 102-93-2.1. [Annual Salary Ordinance, Amend] Ordinance amending the administrative provisions of the Annual Salary Ordinance (Ord. No. 242-93) to reflect the charter changes resulting from the voters' approval of Proposition L in the November, 1993 election (create Human Resources Department). (Supervisor Kaufman)

   ACTION: Hearing held. RECOMMENDED.

9. File 97-94-11. [Human Resources Department] Ordinance amending Administrative Code by amending Section 3.2 to substitute the Human Resources Department for the Civil Service Commission. (Supervisor Kaufman.)

   ACTION: Hearing held. RECOMMENDED.

10. File 97-94-12. [Employee Relations Ordinance] Ordinance amending Administrative Code by amending Sections 16.200 through 16.220, Employee Relations Ordinance, to reflect the organizational and administrative changes made by the voters' approval of Proposition L at the November 1993 election (Human Resources Department). (Supervisor Kaufman)

    ACTION: Hearing held. Amended on page 1, line 3 after "16.220" insert "and Section 16.222". New title: "Ordinance amending Administrative Code by amending Sections 16.200 through 16.220, and Section 16.222, Employee Relations Ordinance, to reflect the organizational and administrative changes made by the voters' approval of Proposition L at the November 1993 election (Human Resources Department)" RECOMMENDED AS AMENDED.

11. File 101-93-79. [Appropriation, Mayor, Community Development Office] Ordinance appropriating $104,127, Mayor's Office of Community Development, from the Dispute Resolution Program Fund to continue contracts for dispute resolution services in 1993-94; providing for ratification of action previously taken; funded from existing fund balance (includes funding for professional services). RO #93214 (Controller).

    ACTION: Hearing held. RECOMMENDED.

12. File 101-93-80. [Appropriation, Mayor's Office of Housing] Ordinance appropriating $27,700, Mayor's Office of Housing, in Housing Program fees, to administer the Mortgage Credit Certificate Program for fiscal year 1993-94; providing for ratification of action previously taken. (includes funding for non-personal services). RO #93215 (Controller).

    ACTION: RECOMMENDED.

13. File 27-94-1. [Emergency Cable Replacement, Airport] Resolution approving a declaration of emergency, emergency cable replacement, Cable 4AJ-1, San Francisco International Airport - $105,000; Airport Contract No. 3349. (Airports Commission)

    ACTION: Hearing held. Amended on lines 4 and 16 by replacing "$105,000" with "$250,000". New title: "Resolution approving a declaration of emergency, emergency cable replacement, Cable 4AJ-1, San Francisco International Airport - $250,000; Airport Contract No. 3349." RECOMMENDED AS AMENDED.

14. File 47-94-2. [New Parking Rates, Mission-Bartlett Garage] Resolution approving new parking rates at the Mission-Bartlett Parking Garage. (Department of Parking and Traffic).

    ACTION: RECOMMENDED.

15. File 69-94-2. [Assessment Appeals Board] Motion directing the Clerk of the Board of Supervisors to submit to the Mayor a request for a supplemental appropriation for $101,663 to strengthen the Department of the Board of Supervisors in its ability to hear property tax assessment appeals. (Supervisor Alioto)

    ACTION: Hearing held. Consideration continued to February 23, 1994.

16. File 187-94-1. [Trial Court Funding] Resolution declaring that the City and County of San Francisco elects to become subject to the provisions of the state Trial Court Funding Program for the period of July 1, 1994, through June 30, 1995. (Supervisors Hsieh, Alioto)

    ACTION: RECOMMENDED. (Supervisor Bierman added as cosponsor)

17. File 101-93-83. Hearing to consider a supplemental appropriation in the amount of $80,000 to fund the District Attorney Office Child Abduction Unit for the remainder of Fiscal Year 1993-1994. (Supervisor Alioto)

    ACTION: Hearing held. Resolution prepared in and reported out of committee entitled, "Urging the Mayor to submit a supplemental appropriation in the amount of $80,000 to fund a Child Abduction Unit in the District Attorney's Office for the remainder of Fiscal Year 1993-1994." RECOMMENDED.

18. File 101-91-63.4. [Reserved Funds, Department of Public Works] Hearing requesting release of reserved funds, Department of Public Works, in the amount of $62,736 for Webster Street and Clarendon Avenue Pavement Renovation Project. (Department of Public Works)

    ACTION: Release of reserved funds in the amount of $62,736 approved. FILE

Public Library, Documents Dept.
Attn: Jane Hudson

CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
FEB 16 1994
SAN FRANCISCO
PUBLIC LIBRARY

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

page 12-13a ed to this t-at back

February 14, 1994

TO: Budget Committee

FROM: Budget Analyst Recommendations.

SUBJECT: February 16, 1994 Budget Committee Meeting

Item 1 - File 114-94-1

Item: Ordinance amending Part II, Chapter 1 of the San Francisco Municipal (Building Code) by amending Sections 203 (i), 204 (a), 212 (d), 333.5 and 1405 and adding Section 1408 to establish an Unreinforced Masonry Building (UMB) Appeals Board and establishing fees therefor.

Description: The proposed ordinance would establish a nine-member Unreinforced Masonry Building (UMB) Appeals Board to hear and decide all appeals concerning interpretation of Chapters 14 and 15 (the City's UMB seismic retrofitting legislation) and other related structural provisions of the Code regulating the strengthening of UMBs. The proposed Board would have the authority to: 1) review UMB retrofit alteration permits; 2) review and recommend approval or disapproval of cost estimates presented to the Superintendent of the Bureau of Building Inspection in support of applications for demolition permits; and 3) assist the Bond and Loan Program Board and Advisory Board on technical and code issues related to the Seismic Safety Retrofit Program.

The proposed UMB Appeals Board would be appointed by the Chief Administrative Officer (CAO) to serve for a three-year term. The proposed nine-member Board would consist of the following:

- Four registered civil engineers to consist of at least one structural engineer, one geotechnical engineer, and one employee or officer of a testing and inspection agency.

- A managing employee or officer of a licensed general contractor.

- A licensed architect.

- An owner of an unreinforced building.

- A tenant of an unreinforced building.

- A person qualified in the area of disabled access facilitation in existing buildings.

The proposed Board would meet at least once a month and would receive $50 per meeting attended at a minimum annual cost of $5,400 (nine members x $50 x 12 months) which would be funded through the Bureau of Building Inspection's (BBI) Special Revenue Fund.

In addition to establishing the proposed UMB Appeals Board, the proposed ordinance would establish the following UMB Appeals Board Filing Fees:

Each appeal for a variance from or interpretation of code requirements:	$95.05
Each appeal for the approval of substitute materials or methods of design or construction	$238.60

These fees would be deposited into BBI's Special Revenue Fund and would be used to offset BBI's costs associated with the UMB program such as the proposed UMB Appeals Board meeting fees, inspections and follow-up paperwork.

Comments:

1. Mr. Don McConlogue of the BBI reports that because the proposed Board would be new, the BBI does not have historical data regarding the number of appeals that would be brought before the proposed Board annually. Thus, Mr. McConlogue advises that it is difficult to estimate how much revenue the proposed UMB Appeals Board Filing Fees would generate annually. However, Mr. Blane Brassfield of the BBI advises that the proposed UMB Appeals Board Filing Fees should generate <u>at least</u> $10,000 annually. As previously noted, the proposed UMB Appeals Board Filing Fees would be deposited

into the BBI's Special Revenue Fund. All appropriations from this Fund are subject to the Board of Supervisors approval.

2. The proposed legislation would provide that the proposed Unreinforced Masonry Building Appeals Board would consider the impact of its actions on the provision of access to disabled persons.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 215-94-1

Item: Hearing to consider awards to out-of-state contractors for the construction and repair of City-owned buildings, including the Museum of Modern Art, the county jails, the libraries and other City-owned buildings.

Description: The City Charter, the Administrative Code, and departmental regulations provide the policies and procedures for awarding contracts for the construction or repair of public works or improvements. In general, those provisions require that construction contracts be awarded to the lowest responsible and responsive bidder and cover such procurement issues as bid advertising, acceptance of bids, required bid sureties, opening of bids, contract awards, and protests.

Pertinent Charter Provisions

Section 7.200: Public Works and Purchasing contracts

Provides that the construction, reconstruction, or repair of public buildings, streets, utilities, etc., must be performed by contract (as opposed to being performed by City employees) when the expenditure involved in each case exceeds $50,000, except for emergencies. Section 7.200 also provides that it shall constitute official misconduct to split or divide any public work or improvement into two or more units for the purpose of evading the $50,000 ceiling;

Provides that the award of any contract in excess of $50,000 shall be let to the lowest reliable and responsible bidder not less than 10 days after advertising by publication for sealed bids for the work.

Section 7.204: Contractors' Working Conditions

Provides that any person performing labor under any contract for public work or improvement, whether such work is performed directly under contract awarded or indirectly by subcontract, subpartnership, day labor, etc., be performed in accordance with the following provisions:

- Any person performing labor thereunder shall be paid not less than the highest general prevailing rate of wages in private employment for similar work;

- Any person performing labor in the execution of the contract shall be a citizen of the United States;

- All laborers employed in the execution of any contract within the limits of the City and County shall have been residents of the City and County for a period of one year immediately preceding the date of their engagement to perform labor thereunder. However, the officer empowered to award any such contract may, upon application of the contractor, waive such residence qualifications and issue a permit specifying the extent and terms of such waiver whenever the fact is established that the required number of laborers and mechanics possessing qualifications required by the work to be done cannot be engaged to perform labor thereunder.

Pertinent Administrative Code Provisions

Section 6.1: Bidding Required on Contracts Exceeding $50,000; Time For Bidding

Contracts exceeding the sum of $50,000 shall be let to the lowest reliable and responsible bidder at any time not less than 10 days after the last date of published advertising for bids or more than 30 days after receipt of bids unless the time for letting such contract is extended by resolution of the Board of Supervisors.

Section 6.53: Government Funds Used — Law of United States to Prevail

In all contracts for the construction of any public work or improvement which involves the use of any funds furnished, given or loaned by the government of the United States or the State of California, all laws, rules and regulations of the said government of the United States or the State of California, or of any of its departments, relative to the doing of such work and the conditions under which the same is to be performed, shall prevail over the conditions set forth in the Administrative Code when the same are in conflict.

Comments: 1. A memorandum titled "Projects Lost To Out Of State Contractors: 1993", under the letterhead of Carpenters Local 2236, lists six out-of-State contractors participating in City-related projects (See Attachment I). The Director of Public Works and the Deputy General Counsel of the Redevelopment Agency have provided the Budget Analyst with letters providing information pertaining to five of these contractors (See Attachments II and III). The sixth contract, concerning the U.S. Court of Appeals building, pertains to a Federal project.

2. According to information provided by the Human Rights Commission, City departments awarded a total of approximately

$277.1 million in construction contracts during fiscal year 1992-93. Of that total amount, $180.2 million was awarded to firms located within the State and $96.9 million was awarded to out-of-State firms.

3. Charter 12D of the Administrative Code provides a five percent preference for certified local firms on City contracts. However, with respect to construction contracts, such local firms must not have exceeded an average of $14,000,000 in gross annual revenues over the past three years in order to be eligible for the five percent preference.

4. Concerning residency requirements for laborers on public works projects, previously cited under Charter Section 7.204, Mr. Buck Delventhal of the City Attorney's Office reports that the City Attorney has issued an opinion concluding that the current residency requirement is unenforceable because of a conflict with the U.S. Constitution. However, Mr. Delventhal further reports that the City might be able to impose such a requirement if evidence could be assembled demonstrating a serious problem of local unemployment that is caused or exacerbated by the employment of non-City residents on public works projects.

5. Mr. Delventhal reports that there are no prohibitions on awards of construction contracts to out-of-State firms.

CARPENTERS LOCAL 2236

PROJECTS LOST TO OUT OF STATE CONTRACTORS 1993

NEW SAN FRANCISCO MAIN LIBRARY
$5 MILLION (PLUS)
RENFROW (MONTANA) / ALEXANDER MFG. (OREGON)

SOCIAL SERVICES OFFICES
1235 MISSION ST.
$500,000.00 (NEVADA FIRM)

YERBA BUENA VISUAL ARTS CENTER
$300,000. 1ST PHASE
RENFROW (MONTANA)

SAN FRANCISCO MUSEUM OF MODERN ART
$1.6 MILLION
STOW DAVIS (COLORADO)

SHERIFFS FACILITY
7TH & BRYANT ST.
$1.9 MILLION (BEFORE CHANGE ORDERS)
NORTHWESTERN DESIGN

U.S. COURT OF APPEALS
7TH AND MISSION ST.
$5 MILLION
ALEXANDER MFG. (OREGON)

Department of Public Works

Office of The Director
John E. Cribbs
Director

February 10, 1994

Hearing for Local Building
Contract Awards (REVISED)

Mr. Stan Jones
Budget Analyst's Office
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Stan:

In response to your fax of this date, here is my response to the five projects listed on the sheet from the Carpenter's Local 2236.

1. New San Francisco Main Library: The firms that they are referring to, Alexander Manufacturing of Oregon and Renfrow of Montana, are subcontractors and sub-subs to the general contractor, respectively. We do not enter into contracts directly with subcontractors. Our contract is with the general contractor in each case.

   Alexander Manufacturing is the main subcontractor to the general contractor and will manufacture the fine cabinetry work required in the library. Renfrow, of Montana, will do some of the installation work at the site. Alexander also has another subcontractor, Precision, which is a local African/American firm which will be doing manufacturing of certain carpenter work which is not of the fine cabinet gender.

2. Social Services Offices at 1235 Mission Street: This is a privately owned building and the contract work was tenant improvements paid for and contracted by the landlord for the Social Services Department.

3. Yerba Buena Visual Arts Center: This is a S.F. Redevelopment project.

4. S.F. Museum of Modern Art: This is a contract by the Museum themselves.

5. Sheriff's Facility, 7th and Bryant Streets: This contract was awarded in 1991 and not 1993. Northwestern Design is a subcontractor to the general contractor on this project and they are doing the cabinet and mill work for the project. Their offices are presently located in Grants Pass, Oregon. When their drawings were submitted two years ago, their office was in Healdsburg, California.

I trust this is enough information for you to prepare your report. If you need any additional information, please give me a call.

Respectfully,

John E. Cribbs
Director of Public Works

San Francisco
Redevelopment Agency

770 Golden Gate Avenue
San Francisco, CA 94102

415 749 2400

Legal Div Fax 749-2575
Writer's direct #749-2488

FRANK M. JORDAN, Mayor

Cynthia Choy Ong, Acting President
Leroy King
Gary F. Kitamura
Jon Henry Kaufer
Manuel A. Rosales
Leslie T. Schilling
Clarence R. Stern

Edward Helfand, Executive Director

February 11, 1994 103- 5394-178

TO: Stan Jones
Budget Analyst's Office

FROM: Jennifer K. Bell
Deputy General Counsel

SUBJECT: Yerba Buena Gardens' Visual Arts Center

Helen Sause, Redevelopment Agency Project Director for the Yerba Buena Center Project Area, asked me to respond to your question about the involvement of the Montana firm, Renfro, in the Visual Arts Center.

The Agency contracted with Sumitomo Construction America, Inc. for the construction of both the Visual Arts Center and the Yerba Buena Theater in Yerba Buena Gardens. Sumitomo was required to be selected because it was the low, and otherwise responsive, bidder on the project. Sumitomo subcontracted with Balliet Brothers of South San Francisco for the installation and fabrication of cabinetry in the Visual Arts Center. Renfro was a subcontractor to Balliet Brothers.

There is currently no requirement prohibiting the Agency or its contractors from contracting with out of state firms. Before any such restriction could be imposed its legality would have to be researched.

Please feel free to call me if you have any further questions on this issue. However, I'm only going to be here today until about 3:30 p.m.

cc: Helen Sause

Item 3 - File 166-93-5

Department: Tax Collector
Mayor's Office of Housing (MOH)

Item: Resolution authorizing the sale of certain tax-defaulted property located at 2710A Harrison Street to the Mission Housing Development Corporation, providing for the execution of related documents, and ratifying previous actions in connection with this sale.

Amount: $8,500

Description: The Tax Collector recommends that the Board of Supervisors approve the sale of real property located at 2710A Harrison Street to the non-profit housing corporation, Mission Housing Development Corporation (MHDC), for $8,500. Such a sale is pursuant to Chapter 8 of Part 6 of Division 1 of the California Revenue and Taxation Code, which governs the sale of tax-defaulted property.

The Tax Collector advises that the property has been tax-defaulted for nonpayment of secured real property taxes for more than 15 years. Based on further investigations, the Tax Collector has found:

- The subject property is landlocked[1] and is an undevelopable vacant lot located adjacent to multi-unit residential buildings at 3019[2] and 3025 23rd Street owned by MHDC and in the vicinity of the Abel Gonzales Apartments senior housing development;

- the Tax Deed conveying the subject property to MHDC would require that, within two years after the sale, the property be dedicated in perpetuity for public purposes as a community garden or park for neighborhood residents; and

- the proposed sale price of $8,500, which is the fair market value of the subject property according to Mr. Harry Quinn of the Real Estate Department, is the minimum bid that the Tax Collector can accept under

[1] A five foot easement across 3019 23rd Street is the only access.

[2] MHDC has recently rehabilitated 3019 23rd Street creating four family units and two handicap accessible studio units for low and moderate income households using Community Development Block Grant (CDBG) Community Housing Rehabilitation Program (CHRP) monies and HUD Residential Rehabilitation monies.

the applicable provisions of the California Revenue and Taxation Code.

Comments:

1. The Mayor, on behalf of the City, has filed with the Clerk of the Board of Supervisors an Agreement in which MHDC would purchase the subject property for $8,500. According to this Agreement, the Mission Housing Development Corporation (MHDC) would dedicate the tax-defaulted property for public use in perpetuity as a community garden or park as a condition of the parcel's conveyance. As previously stated, if the parcel is not dedicated for public purposes within two years, the conveyance from the City would be rescinded.

2. As of November 1993, the amount of delinquent property taxes and penalties on the subject property totals $27,275. These taxes and penalties have accumulated over the past 16 years.

3. The $8,500 purchase price would be paid to the Tax Collector to offset the existing delinquent property taxes and penalties owed on the property.

4. Mr. Thad Brown of the Tax Collector's Office advises that an attempt was made last year to sell the subject parcel by public auction. However, no bids were received at that time. Therefore, a negotiated sale, which requires Board of Supervisors approval, is being proposed, in lieu of a second attempt by the Tax Collector to sell the property at public auction. The proposed alternative negotiated sale has been approved by the State Board of Equalization.

5. Mr. Olson Lee of the Mayor's Office of Housing (MOH) advises that the MOH requests that this item be continued to the call of the Chair pending the resolution of issues concerning the structure of the property purchase agreement, the source of financing, and testing of the soil.

6. Because the subject Agreement is dated October 26, 1993, action by the Board of Supervisors requires the ratification of previous actions taken on the subject Agreement to sell the tax-defaulted property.

Recommendation: Continue the proposed resolution to the call of the Chair, as requested by the Mayor's Office of Housing.

Item 4 - File 253-92-2

Item: Hearing to consider the action plans of the Workers Compensation Task Force

Description: Legislation was enacted in October, 1991 (File 97-91-38) to establish a permanent Workers Compensation Task Force, consisting of the following City officials or their representatives: the Risk Manager, Mayor's Budget Director, Board of Supervisors Budget Analyst, General Manager of the Employees Retirement System (ERS), Director of the Employee Relations Division, General Manager of the Civil Service Commission, and two department heads designated by the Task Force members. At the present time, the two departments having representatives on the Task Force are the Department of Public Health and the Municipal Railway.

Under Section 16.83-3 of the Administrative Code, the purpose of the Task Force is to:

(1) act in an advisory capacity in all matters pertaining to workers compensation cost containment as required for the guidance of managers, department heads, and City officials;

(2) make recommendations regarding consolidation of responsibilities to improve efficiency in managing claims,

(3) assist the Retirement Board to establish and maintain statistical data relating to work-related injuries and illnesses; and,

(4) submit a semiannual report to the Board of Supervisors concerning the progress of the Task Force in achieving workers compensation cost containment.

The subject hearing concerns the status of the action plans of the Workers Compensation Task Force.

Comments: 1. The Workers Compensation Task Force last reported to the Board of Supervisors concerning its action plans at the March 3, 1993 meeting of the Government Efficiency and Labor Committee. At that time, the immediate priorities of the Workers Compensation Task Force were:

(1) to proceed with implementation of the contract for third party administration of claims;

(2) to expand efforts to determine the essential functions of City job classifications and to implement a return to work program for injured workers; and,

(3) to enhance department record-keeping capabilities concerning work-related injuries and accidents in order to increase departments' accountability for workers compensation costs and to evaluate future cost control efforts. Under Section 16.83-2 of the San Francisco Administrative Code, City departments are required to submit quarterly reports to the Task Force concerning their workers compensation claims. However, compliance with this requirement has been poor, and only seven departments had submitted the required statistical reports to the Task Force as of March, 1993, when the Task Force last reported to the Board of Supervisors.

2. Mr. Barrie Stewart of the Mayor's Office (who staffs the Task Force in addition to the Mayor's Budget Director) states that the Workers Compensation Task Force is currently engaged in auditing departmental compliance with the injury and illness reports which are required under Section 16.83-2 of the Administrative Code.

In addition, Mr. Stewart indicates that the Workers Compensation Task Force has requested that the Employees Retirement Board prepare a Request for Proposal for the City's contract for workers compensation medical services, which is currently held by Saint Francis Memorial Hospital. This request is consistent with the findings of the Budget Analyst's recent management audit of the Workers Compensation Division, which recommended that the ERS competitively bid its contract for workers compensation medical services.

3. Mr. Stewart states that the next meeting of the Workers Compensation Task Force will be scheduled for early March, 1994. At that time, the Task Force will review the findings and recommendations of the February, 1994 management audit of the Workers Compensation Division of the Employees Retirement System, which was conducted by the Budget Analyst at the request of the Board of Supervisors. The Workers Compensation Task Force will seek to develop further action plans for the City's workers compensation program at its March meeting, according to Mr. Stewart.

Item 5 - File 127-94-1

Note: This item was continued by the Budget Committee at its meeting of February 9, 1994.

1. The proposed ordinance would amend Part III of the San Francisco Municipal Code by amending Section 905-A of Article 12A to (a) exclude businesses selling firearms and ammunition from the Small Business Tax exemption and (b) amending Sections 1004.17, 1004.18 and 1005.3 of Article 12-B to establish a new business classification for firearm and ammunition sales, to increase the Gross Receipts tax rate for this classification to three percent as of January 1, 1994 on the total gross receipts received of all goods sold (in addition to firearms and ammunition) by businesses which sell firearms and ammunition.

2. Currently, businesses that sell firearms and ammunition are eligible for the City's Small Business Tax exemption. The Small Business Tax exemption is applied to those businesses whose Gross Receipts and/or Payroll Tax liability does not exceed $1,000 resulting in the businesses not having to pay any business taxes to the City. The proposed ordinance would exclude businesses that sell firearms and ammunition from the Small Business Tax exemption. According to various governmental lists provided by the Police Department, there are 71 businesses licensed to sell firearms and ammunitions in San Francisco. Of these 71 businesses, the Tax Collector's Office identified 22 that are licensed to sell firearms and ammunition and are registered businesses with the Tax Collector's Office. Only one business in San Francisco sells firearms and ammunition exclusively. The Tax Collector's Office advises that the remaining 49 businesses licensed to sell firearms and ammunition may not be currently operating as a business in the City.

3. In FY 1992-93, 10 of the 22 businesses licensed to sell firearms and ammunition qualified for the City's Small Business Tax exemption. Excluding these ten businesses from the Small Business Tax Exemption and under the proposed Gross Receipts Tax rate increase, the Tax Collector's Office estimates that Gross Receipts Tax revenues would increase by approximately $136,000.

4. Currently, businesses that sell firearms and ammunition are classified as either Retail Sales or Other Businesses and pay 0.15 or 0.30 percent Gross Receipts Tax rate or $15.00 and $30.00 respectively for the first $10,000 of gross receipts and $1.50 and $3.00 respectively for each additional $1,000 of gross receipts. The proposed ordinance would establish a new business classification for firearm and ammunition sales and increase the Gross Receipts Tax rate from 0.15 or 0.30 percent to three percent or $300 tax on the first $10,000 of gross receipts and $30 for each additional $1,000 of gross receipts.

5. Of the remaining 12 businesses (22 total businesses minus 10 with Small Business Tax exemptions) that are licensed to sell firearms and ammunition and are registered businesses, the Tax Collector has tax payment history on six. Of these six businesses, one pays the Gross Receipts Tax and the other five businesses pay the Payroll Tax. According to the City's Administrative Code, businesses pay either the City's Payroll Tax or the City's Gross Receipts Tax, whichever is higher.

The Tax Collector's Office reports that increasing the Gross Receipts Tax rate to three percent could cause the five businesses that currently pay the Payroll Tax to pay the Gross Receipts Tax. Based on that assumption, the Tax Collector estimates that the proposed Gross Receipts Tax rate increase would result in approximately $250,000 annually in additional Gross Receipts Tax revenues.

However, the estimated $250,000 does not include additional Gross Receipts Tax revenues associated with the six businesses for which the Tax Collector does not have tax payment history. Four of these six businesses are new and the other two are delinquent in paying the City's Payroll Tax. Based on the four businesses reported expected Gross Receipts, the Tax Collector estimates an additional $22,000 in Gross Receipts Tax revenues associated with the proposed Gross Receipts Tax rate increase for a total of $272,000 in additional Gross Receipts Tax revenues.

6. According to the proposed ordinance, any business that engages in firearms and ammunition sales would be classified as Firearms/Ammunition Sales. Thus, any business that includes firearms and ammunition as even a minor part of its inventory would be required to pay the proposed increased Gross Receipts Tax on all sales. For example, sporting goods stores that sell hunting rifles would pay the increased tax on the sale of a basketball. As previously noted, reportedly only one business in San Francisco sells firearms and ammunition exclusively. As a result, the $272,000 estimated additional revenue associated with the proposed Gross Receipts Tax rate increase includes non-firearm or ammunition sales. Further, the $272,000 revenue estimate assumes that those businesses whose firearm and ammunition sales constitute a portion but not all of their total sales will continue to sell firearms and ammunition after their Gross Receipts Tax has increased from .15 percent to three percent.

Comments:

1. The Tax Collector's Office reports that it should be able to implement the proposed ordinance using existing resources.

2. In sum, the proposed ordinance could result in up to $408,000 of additional Gross Receipts Tax revenues (maximum of $136,000 related to excluding firearms and ammunition businesses from the Small Business Tax exemption and approximately $272,000 related to the Gross Receipts Tax rate increase). As previously indicated, these revenue estimates include non-firearm and ammunition sales.

3. However, it should be noted that if the proposed ordinance is approved, businesses may discontinue selling firearms and ammunition to avoid the Gross Receipts Tax rate increase on all sales. The number of businesses that would discontinue selling firearms and ammunition and therefore the amount of Gross Receipts Tax revenues that would be reduced cannot be determined at this time.

Recommendation:

The proposed ordinance is a policy matter for the Board of Supervisors.

Items 6, 7, 8, 9 and 10 - Files 101-93-2.5, 101-93-2.6, 102-93-2.1, 97-94-11 and 97-94-12

Item: Ordinance amending the administrative provisions of the Annual Budget and Appropriation Ordinance to reflect the Charter changes resulting from the voters' approval of Proposition L in the November 1993 election (File No. 101-93-2.5).

Ordinance amending Annual Appropriation Ordinance No. 241-93 by amending Sections 1 through 32 to reflect the organizational and administrative changes approved by the voters' enactment of Proposition L in the November 1993 election (File No. 101-93-2.6).

Ordinance amending the administrative provisions of the Annual Salary Ordinance to reflect the Charter changes resulting from the voters' approval of Proposition L in the November, 1993 (File No. 102-93-2.1).

Ordinance amending the Administrative Code by amending Section 3.2 to substitute the Human Resources Department for the Civil Service Commission (File No. 97-94-11).

Ordinance amending Administrative Code by amending Sections 16.200 through 16.220, Employee Relations Ordinance, to reflect the organizational and administrative changes made by the voters' approval of Proposition L at the November 1993 election (File No. 97-94-12).

Description: In November, 1993, San Francisco voters approved Proposition L, a Charter Amendment which created a new Department of Human Resources. In addition, Proposition L transferred the responsibilities of the Civil Service Commission to the new Department of Human Resources. Specifically, the Proposition L Charter Amendment provides that,

> Pursuant to and in accordance with the policies, rules, and procedures of the Civil Service Commission governing the merit system, the Department of Human Resources shall be the personnel department for the City and County and... except as specifically set forth in this Charter shall perform all duties and functions previously performed by the Civil Service Commission.

The Charter Amendment amended applicable Charter provisions by substituting the Human Resources Department

for the Civil Service Commission in appropriate contexts. However, the Charter Amendment did not amend the San Francisco Administrative Code, the Annual Budget and Appropriation Ordinance, or the Annual Salary Ordinance to reflect the transfer of responsibilities to the Human Resources Department which were made by the Charter Amendment. The five proposed ordinances would enact amendments to the San Francisco Administrative Code, the Annual Budget and Appropriation Ordinance, and the Annual Salary Ordinance, to make these statutes consistent with the amendments to the City Charter which were enacted by Proposition L.

File 101-93-2.5

The proposed ordinance (101-93-2.5) would amend administrative provisions of the Annual Budget and Appropriation Ordinance (AAO) to reflect the organizational changes made by the recent Proposition L Charter Amendment, approved by the electorate in November, 1993.

The proposed amendments to the administrative provisions of the Annual Appropriation Ordinance are largely technical in nature, in that they would substitute the Human Resources Department as the agency which will perform duties now assigned in the Annual Appropriation Ordinance to the Civil Service Commission. These technical amendments are as follows:

(a) Appointments made by departments to temporary or permanent budgeted positions during the fiscal year shall be made in accordance with the "merit system provisions of the Charter," rather than the "Civil Service provisions of the Charter."

(b) Personnel requisitions shall be submitted to the Human Resources Department, rather than to the Civil Service Commission. The Human Resources Department, rather than the Civil Service Commission, shall process the proposed appointment.

(c) Approval for departments to employ more than one part-time employee, rather than one full-time position, shall be subject to approval of the Human Resources Department, rather than the Civil Service Commission.

(d) Where the Civil Service Commission is currently authorized to certify the appointment of an eligible candidate to a vacant position in a higher classification

than the employee's current classification, the Human Resources Department would instead provide such authorization. Such appointments can be made only when the Human Resources Department (rather than the Civil Service Commission) is conducting periodic or continuous recruitment for the classification to be filled.

(e) When approved by the Civil Service Commission (which provision is unchanged), the Human Resources Director (rather than the General Manager, Personnel), is authorized to administratively amend the Annual Appropriation Ordinance, as provided in existing law.

Existing provisions of the Annual Appropriation Ordinance (Section 1.1B) allow the General Manager, Personnel (which will be amended under the proposed ordinance to substitute the Director of Human Resources) to administratively amend the AAO, subject to approval by the Civil Service Commission, in the following circumstances:

(i) to change the classification of a position provided that the rate of pay is the same or less and the services are in the same functional area;

(ii) to adjust the compensation of a position pursuant to Section IV-F of the administrative provisions of the Salary Standardization Ordinance (which concerns the supervisory differential adjustment for compensation made to supervisory employees); or,

(iii) to adjust the compensation of a position when the rate of pay for that position has been approved by the Board of Supervisors in the Salary Standardization Ordinance.

(f) Departments may use funds budgeted for temporary salaries for positions or classifications which are not listed in the Annual Appropriation Ordinance, subject to approval by the Human Resources Department (rather than the Civil Service Personnel Department).

(g) Departments may arrange for the temporary re-assignment of personnel from one City department to another, subject to the approval of the Human Resources Department, rather than the Civil Service Commission.

File 101-93-2.6

The proposed ordinance (File 101-93-2.6) would amend the 1993-94 Annual Budget and Appropriation Ordinance to make technical changes which are consistent with the Proposition L Charter Amendment. The Annual Appropriation Ordinance for fiscal year 1993-94 (File 101-93-2, Ordinance No. 298-93) appropriated revenues and expenditures to City departments for fiscal year 1993-94, based on the City's 1993-94 Annual Budget as approved by the Mayor and Board of Supervisors.

The proposed ordinance would amend the Annual Appropriation Ordinance as follows:

(a) In Section 4 of the AAO, the Human Resources Director (rather than the General Manager, Personnel of the Civil Service Commission), would be authorized to re-assign or transfer City employees from one department to another, when City services or programs are transferred from one department to another.

(b) In Section 10 of the AAO, approval shall be obtained from the Human Resources Director, rather than the General Manager, Personnel, for expenditures to be made to City employees for (1) payment of accumulated vested sick leave (see Comment 2), and (2) payment of supervisory pay differentials to employees who qualify for such payments under the City's Annual Salary Ordinance.

(c) In Section 10, position reclassifications or temporary exchanges of positions would be approved by the Director of Human Resources, rather than the General Manager, Personnel.

(d) In Section 10.1, departments may transfer funds appropriated for personal service contracts for use to pay temporary salaries, in order to use City employees in lieu of contractors, provided that approval is obtained from the Human Resources Director (rather than the General Manager, Personnel).

(e) In Section 21 of the AAO, the Controller may process temporary requisitions for position reclassifications at the request of departments, subject to approval by the Human Resources Department (rather than the Civil Service Commission), pending approval of the annual budget which includes the proposed reclassification.

(f) In Section 25 of the AAO, the Controller shall reserve sufficient funds to comply with new Memoranda of Understanding with employee organizations, pursuant to the recommendations of the Human Resources Director (rather than the Employee Relations Director).

File 102-93-2.1
The proposed ordinance (102-93-2.1) would amend administrative provisions of the Annual Salary Ordinance to reflect the organizational changes made by the recent Proposition L Charter Amendment, approved by the electorate in November, 1993.

The proposed changes to the Annual Salary Ordinance would consist of:

(a) Providing that temporary appointment of eligible students to Class 3591 College Aide shall be made pursuant to a blanket authorization issued by the Human Resources Department, rather than the Civil Service Commission, and,

(b) Certain symbols used in the Annual Salary Ordinance will be used to describe positions which are subject to certain approvals to be made by the Human Resources Department, rather than the Civil Service Commission.

File 97-94-11
This proposed ordinance (File 97-94-11) would amend Section 3.2 of the Administrative Code, which concerns the preparation and submission of administrative provisions of the Annual Salary Ordinance for the ensuing fiscal year. The proposed ordinance would require the Human Resources Department, rather than the Civil Service Commission, to prepare and submit this document to the Board of Supervisors no later than April 1 of each year.

File 97-94-12
The proposed ordinance (File 97-94-12) would amend Sections 16.200 through Section 16.220 of the Administrative Code, otherwise known as the "Employee Relations Ordinance," to reflect changes made by the Proposition L Charter Amendment. The proposed changes include:

(a) The Human Resources Director or his or her designee, rather than the Employee Relations Director, would designate certain City employees as "management employees," "supervisory employees," or "confidential employees." The Human Resources Director, rather than the Employee Relations Director, shall maintain lists of the employees so designated.

(b) "Registered employee organizations" would be defined as those employee organizations which have registered with the Human Resources Director or his or her designee, rather than with the Employee Relations Director. An organization wishing to be registered shall submit an application to the Human Resources Director or designee, rather than to the Employee Relations Director.

(c) The Employee Relations Division established pursuant to Section 16.203 of the Administrative Code would be headed by the Human Resources Director or designee, rather than by the Employee Relations Director.

(d) The Human Resources Director, rather than the Employee Relations Director, would coordinate the meet and confer process with employee organizations.

(e) In the event that disputes arise between the City and employee organizations concerning the interpretation of certain Administrative Code provisions, such disputes shall be referred to an administrative law judge by the Human Resources Director or designee, rather than by the Employee Relations Director.

(f) The number of official representatives of employee organizations who may be granted time off from their duties without loss of pay in order to meet and confer with City representatives shall be limited to two, unless approval for a larger number is obtained from the Human Resources Director, rather than the Employee Relations Director.

Comments: 1. All of the five proposed ordinances discussed above have been approved as to form by the City Attorney's Office.

2. At page 9, line 1 of the proposed ordinance (File 101-93-2.6), the Annual Appropriation Ordinance would continue to require prior approval by the General Manager, Personnel of the Civil Service Commission for approval of payments of vested sick leave to employees. According to the City Attorney, this designation of the General Manager, Personnel should be amended to refer instead to the Director of Human Resources.

3. The proposed ordinance (File 97-94-11) contains a typographical error at page 1, line 14, where it references Section 3.1 of the Administrative Code as the section which would be amended, where it should reference Section 3.2 of the Administrative Code.

4. The proposed ordinances would amend the Annual Appropriation Ordinance, the Annual Salary Ordinance, and the San Francisco Administrative Code to reflect the organizational and administrative changes to City government which were enacted by the recent "Proposition L" Charter Amendment. Since the proposed amendments would be made to reflect current Charter provisions, we recommend approval of the proposed ordinances.

Recommendations: 1. Amend the proposed ordinance (File 97-94-11) by substituting "Sec. 3.2" for "Sec. 3.1" at page 1, line 14.

2. Amend the proposed ordinance (File 101-93-2.6) at page 9, line 1 by substituting "Director of Human Resources" for "General Manager, Personnel."

3. Approve the proposed ordinances, as amended.

Item 11 - File 101-93-79

Department: Mayor's Office of Community Development (MOCD)

Item: Supplemental Appropriation Ordinance appropriating $104,127 from the Dispute Resolution Program Fund to allow the Mayor's Office of Community Development to continue contracts for Dispute Resolution Services in 1993-94, and providing for ratification of action previously taken.

Amount: $104,127

Source of Funds: Dispute Resolution Program Fund

Description: The Dispute Resolution Program provides an alternative to formal court proceedings for the settlement of disputes by assembling panels of specialists to hear the disputants' arguments and then to render a non-binding decision regarding the dispute. In accordance with the State Dispute Program Act of 1986, the City established a $3.00 surcharge to various Municipal and Superior Court filing fees to provide a funding source for this program. The revenues generated from this $3.00 surcharge are deposited to the Dispute Resolution Program Fund. The MOCD advises that the current balance in the Dispute Resolution Program Fund is $104,127.

The MOCD is proposing to use the requested supplemental appropriation to continue funding contract services with three non-profit agencies for the provision of dispute resolution services. These agencies include Community Boards, California Community Dispute Services and California Lawyers for the Arts. Community Boards and California Community Dispute Services would be funded for the six-month period October 1, 1993 to March 31, 1994. California Lawyers for the Arts would be funded for the one-year period October 1, 1993 to September 30, 1994.

These three agencies are the same agencies which provided the dispute resolution services in 1992-93. Community Boards provides community based, early intervention conflict resolution services. The majority of Community Boards' cases are received from community, neighborhood and governmental agencies. California Community Dispute Services handles criminal justice system cases. Ninety percent of this agency's cases are referrals from the District Attorney's Office. The California Lawyers for the Arts handles dispute resolution cases that involve the arts or individual artists.

The MOCD is proposing to allocate a total of $105,359 to the above noted three agencies for 1993-94, of which $104,127 would be paid for by the proposed supplemental appropriation and the remaining $1,232 would be paid for by funds from interest earned on prior year Dispute Resolution Program Funds which were previously appropriated but not expended. These interest funds are deposited to an account separate from the Dispute Resolution Program Fund. The $105,359 would be expended as follows:

Contract Services	Prior One Year's Funding Allocation 10/1/ 92 to 9/30/93	Requested Funding for the Six-Month Period 10/1/93 to 3/31/94	Increase (Decrease)
Community Boards:			
(525 cases* @ $98/case)	$102,875	$51,498	($51,377)
California Community Dispute Services:			
(399 cases* @ $110/case)	87,723	43,861	(43,862)

Contract Services	Prior One Year's Funding Allocation 10/1/92 - 9/30/93	Requested One Year Funding for Period 10/1/93 to 9/30/94	Increase (Decrease)
California Lawyers for the Arts:			
(85 cases* @ $118/case)	10,000	10,000	0
Total	$200,598	$105,359	($95,239)

* The number of cases to be provided was determined by dividing the available funding for 1993-94 by the per case cost.

Comments:

1. The MOCD advises that the Community Board and the California Community Dispute Services are only being allocated six-months funding because there are not sufficient Dispute Resolution Program Funds available to pay for a full year of services with these two agencies for 1993-94. According to Mr. Wayne Lawrence of the MOCD, the decision to fund the two programs for six-months was primarily based on the two agency's desire to maintain their staffing level at the current level for a six-month period as opposed to having to reduce their staffing level based on the available funds being spread over the period of a full-year.

2. As noted above, funding for the Dispute Resolution Program began October 1, 1993. As such, the proposed legislation provides for ratification of action previously taken.

Recommendation: Approve the proposed ordinance.

Item 12 - File 101-93-80

Department: Mayor's Office of Housing (MOH)

Item: Supplemental Appropriation Ordinance appropriating $27,700 in Housing Program fees to allow the Mayor's Office of Housing to administer the Mortgage Credit Certificate Program for fiscal year 1993-94, and providing for ratification of action previously taken.

Amount: $27,700

Source of Funds: Housing Program Fees Fund (fees which are generated from the MOH's administration of mortgage bond monies and fees which the State pays the MOH to review low-income tax credit applications that are submitted to the State)

Description: The Board of Supervisors previously approved legislation authorizing, the MOH to submit an application to the California Debt Limit Allocation Committee (CDLAC), to permit the issuance of mortgage credit certificates in the amount of $15,000,000 for the Mortgage Credit Certificate (MCC) Program (File 301-93-1). The MOH advises that in the interim, the actual amount received from the State MCC Program is $11,600,000.

The MCC Program is designed to assist first-time homebuyers in purchasing a single-family residence in San Francisco. The Program is directed towards households which would not be able to purchase housing without assistance, such as a mortgage certificate. Specifically, the MCC Program provides assistance to first-time homebuyers by allowing an eligible purchaser to take an annual credit against Federal income taxes of up to 20 percent of the annual interest payments on a single family residence. A homebuyer awarded a MCC and eligible for a tax credit on the interest expense paid on the mortgage, would still be able to deduct for Federal income tax purposes the remaining amount of the annual mortgage interest payment not claimed as credit. By reducing the Federal income tax burden, the individual is left with more disposable income with which to cover mortgage payments.

The proposed supplemental appropriation request in the amount of $27,700 would be used by the MOH to pay for administrative costs associated with the establishment of the MCC Program, as follows:

Fees to California Debt Limit Allocation Committee:		
Application Fee	$300	
Commitment Fee	2,900	
Subtotal		$3,200
Financial Advisor Services:		
Fee	7,500	
Expenses	500	
Subtotal		8,000
Tax Counsel Services:		
Fee	7,500	
Expenses	500	
Subtotal		8,000
Publication of Required Notice and Other Program Publicity		3,000
Printing Program Materials		5,000
Room Rental for Training Sessions		500
Total		$27,700

Comments:

1. The MOH reports that the Commitment Fee to the California Debt Limit Allocation Committee represents a required .025 percent of the total $11,600,000 in MCC funds issued to the City.

2. According to the MOH, although City staff will fulfill the day-to-day administration of the MCC Program, additional outside expertise will be needed in the form of a financial advisor to (1) develop a Program manual, (2) assist in training private mortgage lenders (i.e., banks, Savings and Loan companies, mortgage brokers), (3) participate in seminars on how the program works and (d) provide outreach to the real estate community. Additionally, the MOH advises that outside tax counsel will be needed to ensure that the MCC Program meets Internal Revenue Service regulations.

3. The MOH advises that training sessions are provided by the MOH to mortgage lenders that participate in the MCC Program in order to familiarize the lender's staff with the various program elements and guidelines along with the forms and documents which must be processed in connection with the MCC Program. According to the MOH, two training sessions have been held thus far, at which there were approximately 100 persons in attendance. Therefore, the proposed ordinance

provides for ratification of action previously taken. The MOH was able to find suitable space at City Hall for these two sessions. The MOH advises that there are currently 20 lenders signed up for the Program and it is expected that this number will increase substantially. The $500 would be used, if needed, to rent space for these training sessions, if suitable space is not available in a City facility.

4. The MOH reports that currently there is a balance of $182,899 available in the Housing Program Fees Fund.

5. MOH advises that the firm of Orrick, Herrington and Sutcliffe, which is neither an MBE or WBE, has been selected to provide tax counsel services. According to Mr. Joe La Torre of the MOH, Orrick, Herrington and Sutcliffe has an on-going contract with the City to provide bond counsel services. MOH also advises that the firm of C.G.M.S. Inc., has been selected through the MOH's Request for Proposal Process (RFP) , to provide the financial advisor services. According to Mr. La Torre, C.G.M.S. Inc., was one of only two firms, neither of which is an MBE or WBE, that responded to the RFP.

Recommendation: Approve the proposed ordinance.

Item 13 - File 27-94-1

Department: San Francisco International Airport (SFIA)

Item: Resolution approving a declaration of emergency, emergency cable replacement, cable 4AJ-1, San Francisco International Airport.

Amount: $105,000

Source of Funds: Airport Utilities Maintenance Fund

Description: The Airport reports that electrical service to the Coast Guard Bachelor Officers' Quarters (BOQ) went out on the morning of January 3, 1994, due to an electrical cable failure. The Coast Guard BOQ is located on the Coast Guard Air Station in the northeast sector of the Airport. On January 18, 1994, the Airports Commission formally declared an emergency concerning the loss of electrical service to the BOQ and ratified the previous actions of the President of the Airports Commission on January 3, 1994, in declaring an emergency and in requesting the Controller to certify funds in the amount of $105,000 to take necessary corrective actions.

In accordance with Section 6.30 of the Administrative Code, the Airport initiated an expedited contracting procedure to restore electrical power to the BOQ. The Airport selected the firm of Cresci Electric, Inc., to perform the work. Cresci Electric, Inc., is a certified WBE firm. Mr. Ernie Eavis of the Airport reports that Cresci Electric, Inc., was selected on the basis of its technical knowledge and expertise and its past performance on various contracts with the Airport.

Mr. Al Lim of the Airport reports that work to restore electrical power to the BOQ and to replace the defective electrical cable commenced on January 15, 1994. At that time, it was determined that the cable duct bank (the conduit that conveys the cables) had become seriously deteriorated.

Mr. Lim reports that the Airport has expended approximately $110,000 on the electrical cable work, but has now determined that the duct bank cannot be restored to an operable condition. Mr. Kwong further reports that approximately $50,000 of the $110,000 was expended for replacement cables, and that the cables will either be retained for future use or returned to the vendor for a refund, at a reduced price. The remaining sum of approximately $60,000 ($110,000 less $50,000) was expended for labor involved with the cable replacement effort.

Mr. Kwong reports that the Airport intends to install a transformer near the site of the BOQ to supply electrical power directly to the building, as a permanent remedy. Mr. Kwong states that Cresci Electric, Inc., has estimated that the cost of procuring and installing the transformer will be approximately $140,000. Given that the Airport has already expended approximately $110,000 on this project, the total revised estimated project cost is $250,000, or $145,000 more than the originally requested $105,000. Therefore, the Airport is requesting that the amount of emergency funds requested under the proposed resolution be increased by $145,000 to a total of $250,000.

The proposed resolution would then approve the Airport's declaration of emergency and the emergency replacement of the defective cable, at a revised estimated cost of $250,000.

Comments:

1. Mr. Lim reports that as an interim measure, electrical power has been supplied to the BOQ by an alternate electrical power load center.

2. Mr. Kwong reports that the source of funds for the additional $145,000 would be the Airport Utilities Maintenance Fund and that sufficient funds are available to finance the project.

Recommendations:

1. Amend the proposed resolution, at line 4 and line 16, by substituting "$250,000" for "$105,000."

2. Approve the proposed resolution, as amended.

Item 14 - File 47-94-2

Department: Department of Parking and Traffic (DPT)

Item: Resolution approving new parking rates at the Mission-Bartlett Parking Garage.

Description: The Mission-Bartlett Garage is a City-owned facility located at 90 Bartlett Street. The Garage is operated by S&F Parking and MEDA under a management agreement with the City whereby the operator pays the City 18 percent of gross revenues.

The San Francisco Parking and Traffic Commission has oversight responsibility of City-owned parking facilities. This responsibility includes reviewing the parking fees charged at City-owned garages and lots and making recommendations to the Board of Supervisors for changes in parking fees. The Commission has reviewed the parking rates at the Mission-Bartlett Garage and has determined that the rates should be increased to generate additional revenue to the City while still keeping rates affordable for patrons. These parking rates were last increased in 1991 when the Mission-Bartlett Garage was converted from a metered parking lot to an attendant garage.

The Commission approved a resolution on January 18, 1994 recommending that the Board of Supervisors approve the following rate increases at the Mission-Bartlett Garage:

Garage Transient Rates

Daytime	Current	Proposed	Percent Increase
1 hour	$0.50	0.75	50%
2 hour	1.25	1.75	40
3 hour	2.00	2.75	38
4 hour	2.75	3.75	36
5 hour	3.50	5.00	43
6 hour	4.25	5.00	18

In addition to the increased hourly rates, the Commission also recommends that the Board of Supervisors approve new validation rates for merchants and community college patrons. Validation rates are reduced parking rates provided to nearby merchants to offer to their customers and to community college students to use the Mission-Bartlett parking facility. The objective of the validation program is to provide a service to merchants and community college students while increasing

garage usage and revenues. The proposed new validation rates are as follows:

Hours	Merchant Validation	Community College Validation
1 hour	$0.75	$0.55
2 hours	1.50	1.10
3 hours	2.25	1.65
4 hours	3.00	2.20
5 hours	3.75	2.75
6 hours	3.75	2.75

Comments:

1. According to Mr. Kevin Hagarty of the DPT, in FY 1992-93, the average gross monthly income from the Mission-Bartlett Garage was approximately $20,489 or approximately $245,868 annually, including $196,694 in parking revenues and $49,174 in Parking Taxes. The City receives 18 percent of the gross parking revenues less Parking Taxes or $35,405 annually. Together with the $49,174 annually in Parking Tax revenues, the City receives a total of $84,579 annually from the Mission-Bartlett Garage.

Mr. Hagarty advises that the proposed rate increases and the new validation program is estimated to result in an annual increase in the Garage's gross receipts by approximately $36,000 from $245,868 to approximately $281,868 annually. Of the $36,000 increased revenue, including $28,800 in parking revenues and $7,200 in Parking Taxes, the City would receive approximately $5,184 based on the 18 percent management agreement, (less Parking Taxes), and $7,200 in additional Parking Tax revenue for a total of $12,384 annually in additional revenue. Together, the projected $12,384 of additional revenue with the City's existing $84,579 in annual revenue should generate a total annual revenue of $96,963 from the Mission-Bartlett Garage.

2. Based on the nearby meter rates of $1.00 per hour, the Budget Analyst recommended in its Management Audit of City-Owned Garages that the Parking and Traffic Commission consider increasing the hourly rates at the Mission-Bartlett Garage. The DPT does not have readily available data regarding the parking rates of surrounding garages.

3. According to the proposed resolution, the Mission Merchants Association and the administration of the San Francisco Community College have reviewed the proposed validation rates and found them to be acceptable.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 15 - File 69-94-2

Department: Clerk of the Board of Supervisors, Assessment Appeals Board

Item: Motion directing the Clerk of the Board of Supervisors to submit to the Mayor a request for a supplemental appropriation for $101,663 to strengthen the Department of the Board of Supervisors in its ability to hear tax assessment appeals.

Description: The Board of Supervisors currently has pending before it, legislation which would, in part, add an additional Assessment Appeals Board, provide for the appointment of one or more Hearing Officers, increase the compensation to Assessment Appeals Board members and establish new fees in connection with the assessment appeals process (File 97-93-51.1). This legislation is primarily aimed at restructuring and strengthening the Assessment Appeals Board's process to address a significant increase in assessment appeals filed in 1993. According to the Clerk of the Board, the number of assessment appeals filed in 1993, which totaled 6,568, was more than seven times the average number of 896 filed for the previous two years.

The proposed motion would authorize the Clerk of the Board to submit to the Mayor's Office a request for a supplemental appropriation for $101,663 to pay for the costs associated with the proposed restructuring and strengthening of the Assessment Appeals Board for 1993-94, as detailed in Attachment I of this report. Attachment II of this report outlines the Clerk of the Board's justification for the proposed supplemental appropriation request.

Comment: It should be noted that $6,812 of the proposed supplemental appropriation request of $101,663 is earmarked to restore funds to the Clerk of the Board's budget which were used to pay for accumulated vacation time owed to an 1835 Administrative Assistant who recently resigned from the Clerk of the Board's Office. This restoration of funds would assist in enabling the Clerk of the Board to meet its salary savings requirement for this fiscal year. This expenditure is not related to the proposed changes in the Assessment Appeals Board or to costs associated with the increased number of assessment appeals.

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

Supplemental Appropriation Request Calculation

Office of the Clerk of the Board of Supervisors
Assessment Appeals Board

1. Assessment Appeals Board		Cost
We now have funds for our one assessment appeals board to meet until March 25. We propose to have provide funds for Boards to meet for an additional 14 weeks, 5 days a week, 3 members/Board. At $100/day:	Salary	$21,000
	Fringes	1,628
2. Hearing Officers		
We propose to select from Assessment Appeals Board Alternate Members hearing officers to hear appeals on 125 days. At $100 a day:	Salary	12,500
	Fringes	969
3. Equalization Clerk		
We propose to return the Equalization Clerk to a year around position instead of seasonal, and thus to pay four more months this fiscal year.	Salary	12,029
	Fringes	1,597
4. Temporary Clerks		
Temporary Clerical Help October 12 to November 23, 1993.		9,031
5. Inherited Vacation Pay		
To restore funds used to pay a departing aide for vacation earned in other departments:		6,812
6. Assessment Appeals Board Pay Increase		
Cost of raising pay of Assessment Appeals Board members and hearing officers from $100 a day to $200 a day effective March 28. 70 days x 3 members x $100, and 125 hearing officer days x $100.	Salary	33,500
	Fringes	2,597
	TOTAL	$101,663

This proposal would permit about 3900 appeals to be heard this year, most of them involving residential property.

The increased fees proposed in the pending ordinance will cover much of this cost in future years but very little in the current year. Filing fees would be effective next year, hearing fees would probably be effective next year, findings of fact fees would be effective this year.

Supplemental Appropriation Request

Office of the Clerk of the Board of Supervisors
Assessment Appeals Board

Assessment Appeals Filed

Year	Number	Year	Number
1988	489	1991	813
1989	509	1992	979
1990	649	1993	6568

As the table shows, in several recent years the number of appeals has increased about 25% over the previous year. But appeals filed in 1993 were more than seven times the average of the previous two years.

State law provides that if an appeal is not decided within two years, the taxpayer's opinion of value prevails. Thus it is essential to hear appeals within two years.

Normally our one Assessment Appeals Board meets about 55 to 70 days a year. That will not be enough this year. Normally our Assessment Appeals staff consists of two people. The both used to work year around. But in recent years, although appeals increased somewhat, in order to save money we changed one position to seasonal, to 3/4 time, then to half time. That will not be enough this year. The Clerk proposes restoring the seasonal position to a full year position as long as the appeals volume remains so high.

The Budget Committee has before it a proposed ordinance to create a second assessment appeals board and to permit hearing officers. We propose to have one assessment appeals board sit for three days a week, as it does now, and the new board sit for two days a week. We propose to have hearing officers sit for 130 hearing officer days this fiscal year (probably two officers a day for 62.5 days).

The ordinance would also increase the pay of Assessment Appeals Board members from $100 a day to $200 a day in order to assure we can attract enough quality people to perform the difficult function. The estimated cost of the change, if effective March 28, would be $36,097.

The department would be meeting its $56,000 salary savings requirement this fiscal year except for two major items. One is that after the great volume of assessment appeals was received in September, the Clerk hired three clerical employees on a temporary basis from October 12 through November 23, simply to get the appeals opened, logged, copied, and sent to the Assessor. The Clerk had money to use for this purpose, but if it is not restored, it will require unpaid furlough days.

A second problem with respect to salary savings is that early in 1993 the Board hired an aide who had worked for another department and brought with him an accumulated vacation with a value of $6,812. The aide left late the same year to work with the Redevelopment Agency. It was necessary to pay him $7,488 from the Board's budget for his accumulated vacation. While our budget should have to bear the burden of the $676 unused vacation accumulated while he was here, it seems unfair for us to have to impose unpaid furlough days to pay for the carryover from other departments. Thus the Clerk requests a supplemental appropriation for that purpose of $6812.

The Board should be assured that the Clerk will spend no new funds unless it is necessary.

Item 16 - File 187-94-1

Department: Superior and Municipal Courts

Item: Resolution to provide that the County elects to participate under the provisions of the State Trial Court Funding Program for the period of July 1, 1994 through June 30, 1995.

Description: The Trial Court Funding Program was established in September of 1988. The Trial Court Funding Act established provisions whereby counties could receive State subsidized Trial Court Funding. The amount of funding allotted to each county is determined by formula.

A key requirement of the Trial Court Program is that option counties must maintain the level of expenditure for court operations established in their first full fiscal year (1989-90) of participation in the Trial Court Funding Program, adjusted by a cost-of-living factor. If San Francisco should experience a reduction in revenue in future years and needed to reduce expenditures, this would mean that a greater proportionate share of any reductions in expenditures would have to be borne by City and County departments other than the Superior and Municipal Courts.

As has been the case in previous years, the proposed resolution states that by approving the proposed resolution, the Board of Supervisors offers commitment to the Superior and Municipal Courts that they will receive no less than one third of the General Fund savings that will accrue to the City resulting from participation in the Trial Court Funding Program for fiscal year 1994-95. Further, the proposed resolution states that in exchange for this commitment by the Board of Supervisors, the Board of Supervisors requests the Superior and Municipal Courts to approve the City's opting into the State Trial Court Funding Program for fiscal year 1994-95.

Comments: 1. The deadline for San Francisco to elect to participate in the Trial Court Funding Program for fiscal year 1994-95 is March 1, 1994.

2. San Francisco has previously elected to participate in the Trial Court Funding Program since fiscal year 1988-89. San Francisco has received the following amounts of Trial Court Funding monies:

Fiscal Year	Trial Court Funding
1988-89	$7,244,400 *
1989-90	15,246,000
1990-91	16,200,000
1991-92	18,968,097
1992-93	19,056,893
1993-94	15,600,000
Total	$92,315,390

*Based on six months of funding from January 1 through June 30, 1989. The annualized amount is $14,488,800.

3. As noted above, in prior fiscal years the Board of Supervisors has committed, by resolution, that no less than one-third of the Trial Court Funding Program revenues would be allotted to the Superior and Municipal Courts. All Trial Court Funding revenues which are not directly allotted to the Superior and Municipal Courts are credited to the General Fund which finances Court operations.

4. If San Francisco elects to participate in the Trial Court Funding Program for fiscal year 1994-95, Ms. Kate Harrison of the Superior Court indicates that the Governor's budget provides for an allocation to San Francisco of approximately $28.4 million. According to Ms. Harrison, the estimated allocation depends on whether Trial Court Funding Program funds are allocated according to the 1993-94 formula or according to a different approach being considered by the State Legislature. In addition, the Governor's budget calls for the return to the counties of all fines and forfeitures that are currently remitted by the counties to the State. If this provision is retained by the State Legislature, the State would return approximately $5 million in locally collected fines and forfeitures to San Francisco, for a total of approximately $33.4 million for fiscal year 1994-95 (approximately $28.4 million Trial Court Funding Program allocation plus approximately $5 million in fines and forfeitures).

5. Participation in the Trial Court Funding Program will lower the City's 1994-95 Gann Limit by the amount of the

State allocation, estimated by the Superior Court at approximately $33.4 million. Mr. John Madden of the Controller's Office reports that the Controller's Office has not yet finalized it's estimate of the City's 1994-95 Gann Limit. There is no real impact by lowering the City's Gann Limit because receipt of the Trial Court Funding Program monies also lowers the amount of General Fund monies from property taxes that must be appropriated to fund the Superior and Municipal Court operations (the Gann Limit establishes a ceiling on the amount of appropriations of property tax revenues).

6. It should be noted that the estimated State funding of approximately $33.4 million for fiscal year 1994-95 will not cover all City costs for Superior and Municipal Court operations, which are currently approximately $45 million for 1993-94.

7. The approximately $33.4 million of total State revenues estimated by the Superior Court would be $17.8 million more than the $15.6 million Trial Court Funding Program revenue received from the State for fiscal year 1993-94 based on the Governor's proposed budget. However, Mr. Madden indicates that the Controller's Office has not completed it's analysis of the Governor's proposed budget, which has not yet been approved by the State Legislature. In the Controller's opinion, there is a strong possibility that San Francisco will receive at least the same Trial Court Funding allocation for fiscal year 1994-95 that San Francisco received for fiscal year 1993-94 ($15.6 million).

Recommendation: Approve the proposed resolution.

Item 17 - File 101-93-83

Department: District Attorney

Item: Hearing to consider a supplemental appropriation ordinance of $80,000 to fund the District Attorney's Child Abduction Unit for the remainder of fiscal year 1993-94.

Description: This is a hearing to consider a supplemental appropriation ordinance to support a new Child Abduction Unit. According to Ms. Donna Medley of the District Attorney's Office, the State mandates that each District Attorney's Office take any civil or criminal action necessary to locate children who have been abducted (principally by parents and other caregivers). The objective of a Child Abduction Unit would be: (1) to locate and recover children who have been abducted by a parent or other caretaker; and (2) to intervene in visitation interferences, where a parent fails to return a child at the agreed upon time. According to Ms. Medley, the program would provide early intervention and recovery of abducted children.

Eventually, the Child Abduction Unit would employ six employees, including one Principal Attorney, one District Attorney Investigator, one Victim Witness Investigator II, two District Attorney Investigative Assistants, and one Principal Investigator. The Principal Investigator would act as the Unit Administrator. Initially, the Child Abduction Unit would employ three employees, including the Principal Investigator, the District Attorney Investigator and a Victim Witness Investigator II. The proposed $80,000 supplemental appropriation would support staff costs for these three positions for three months, plus telephone service, office supplies, and legal fees, as necessary. Under this proposal, the Child Abduction Unit would be funded from April 1, 1994 through June 30, 1994. If the Child Abduction Unit were implemented, the District Attorney would include the cost of the entire six-employee Unit in its FY 1994-95 budget request.

Comments: 1. According to Ms. Medley, under any proposed supplemental appropriation, the City would be required to advance the cost of the Child Abduction Unit with General Fund monies. Ms. Medley advises, the City could then apply to the State for a reimbursement of any costs associated with the Child Abduction Unit.

2. However, Mr. John Madden of the Controller's Office advises that, should a supplemental appropriation ordinance be submitted by the Department, approved by the Mayor, and submitted to the Controller for certification that funds are

available, the Controller could only certify that a District Attorney Child Abduction Unit would be entirely funded by the General Fund. Mr. Madden advises that the Police Department is currently receiving an annual reimbursement of approximately $43,000 for its Child Abduction Unit, and the State would be reluctant to increase the City's reimbursement by more than a marginal amount.

3. The City has contracted with David Griffith Associates to apply for reimbursements for programs such as the Child Abduction Unit. David Griffith Associates has negotiated with the State on behalf of the District Attorney's Office for State reimbursements to support a Child Abduction Unit, Ms. Medley advises. However, according to Mr. Brad Burgess of David Griffith Associates, the State is an unreliable source of funds, because it may delay, reduce or deny reimbursements. Therefore, David Griffith Associates cannot guarantee State reimbursements for the District Attorney's Child Abduction Unit.

Item 18 - File 101-91-63.4

Department: Department of Public Works (DPW)

Item: Request to release reserved funds for pavement renovation (Webster and Clarendon Avenues Pavement Renovation Project).

Amount: $62,736

Source of Funds: 1987 Street Improvement Bond Fund Interest

Description: In July of 1992, the Board of Supervisors approved Resolution No. 615-92 authorizing the Director of Public Works to accept and expend Federal funds in the amount of $7,257,000, to be used as partial funding of a total amount $10,096,000 designated for nine pavement renovation projects of various City streets. The Board of Supervisors reserved the $7,257,000 pending the determination of finalized cost details, selection of the contractors, and determination of the contractors' MBE/WBE status.

The previously approved sources of the $10,096,000 total amount for the pavement renovation projects are as follows:

	Design	Construction	Total
1987 Street Improvement Bond Fund Interest	$376,000	$602,000	$978,000
Federal Surface Trans. Funds (This Grant Request)	—	7,257,000	7,257,000
Gas Tax Funds	453,000	—	453,000
Half-Cent Sales Tax	182,000	1,226,000	1,408,000
Total	$1,011,000	$9,085,000	$10,096,000

DPW is now requesting release of $784,236, which includes the subject $62,736 of the $602,000 in Bond Fund Interest designated for construction, as shown above, plus $721,500 of the $7,257,010 of Federal Surface Transportation Funds, as shown above (see Item 1(o), File 148-92-4.4 in the 2/15/94 report to the Government Efficiency and Labor Committee). The funds would be used to renovate the pavement on Webster Street, between Duboce Avenue and McAllister Street, and on Clarendon Avenue, between Laguna Honda and Twin Peaks Boulevard.

Mr. Joe Ovadia of DPW reports that the firm of Ghilotti Brothers Construction, Inc., has been selected to perform the work based on its low bid of $683,546. The City's engineering

estimate for the work was $733,746. The result of the bidding process was as follows:

Bidder	MBE/WBE Status	Amount Bid
Ghilotti Brothers Construction, Inc.	None	$683,546
Inter-Coastal, a Joint Venture	MBE/LBE	697,804
G. Bortolloto & Co.	None	755,084
A. Ruiz Construction Co. & Assoc., Inc.	MBE/LBE	760,396
Ghilotti Construction Co.	None	761,431
Pavex Construction	None	793,811

Comments: 1. Mr. Ovadia reports that Federal construction policy prohibits preferences in contracting. However, according to Mr. Ovadia, the subcontracting goal of 30 percent to MBE/WBE firms was achieved.

2. DPW's estimated budget for the total project, including the requested subject release of $62,736 in bond fund interest, is as follows:

Construction Contract	$683,546
Contingencies (10% of Contract)	68,355
Construction Mgt. Services	95,000
Work Order-Dept. of Parking & Traffic	34,000
Total	$880,901

Recommendation: Approve the release of reserved funding in the amount of $62,736, as requested by the Department.

Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Shelley
President Alioto
Clerk of the Board
Supervisor Bierman
Chief Administrative Officer
Supervisor Conroy
Controller
Supervisor Hallinan
Teresa Serata
Supervisor Kaufman
Robert Oakes
Supervisor Kennedy
Ted Lakey
Supervisor Leal
Supervisor Maher
Supervisor Migden

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Memo to Budget Committee
February 16, 1994

REVISED

Item 4 - File 253-92-2

Item: Hearing to consider the action plans of the Workers Compensation Task Force

Description: Legislation was enacted in October, 1991 (File 97-91-38) to establish a permanent Workers Compensation Task Force, consisting of the following City officials or their representatives: the Risk Manager, Mayor's Budget Director, Board of Supervisors Budget Analyst, General Manager of the Employees Retirement System (ERS), Director of the Employee Relations Division, General Manager of the Civil Service Commission, and two department heads designated by the Task Force members. At the present time, the two departments having representatives on the Task Force are the Department of Public Health and the Municipal Railway.

Under Section 16.83-3 of the Administrative Code, the purpose of the Task Force is to:

(1) act in an advisory capacity in all matters pertaining to workers compensation cost containment as required for the guidance of managers, department heads, and City officials;

(2) make recommendations regarding consolidation of responsibilities to improve efficiency in managing claims,

(3) assist the Retirement Board to establish and maintain statistical data relating to work-related injuries and illnesses; and,

(4) submit a semiannual report to the Board of Supervisors concerning the progress of the Task Force in achieving workers compensation cost containment.

The subject hearing concerns the status of the action plans of the Workers Compensation Task Force.

Comments: 1. The Workers Compensation Task Force last reported to the Board of Supervisors concerning its action plans at the March 3, 1993 meeting of the Government Efficiency and Labor Committee. At that time, the immediate priorities of the Workers Compensation Task Force were:

(1) To proceed with implementation of the contract for third party administration of claims. The contract for third party administration was awarded to the Noetics Group, and approximately 50 percent of the City's total workers compensation claims were transferred to the Noetics Group on

May 1, 1993. The Noetics Group is now solely responsible for administering the workers compensation claims of the City departments which it has been assigned. The current contract with the Noetics Group will expire on June 30, 1994. The recent management audit of the Workers Compensation Division (WCD) of the Employees Retirement System recommended that the Workers Compensation Task Force work with the Mayor's Office to extend the contract for third party administration to June 30, 1996.

(2) To expand efforts to determine the essential functions of City job classifications and to implement a return to work program for injured workers. The legislation which created the Task Force requires City departments to implement return to work programs for injured workers. The Return to Work Subcommittee of the Task Force has therefore developed specific guidelines for implementing a City-wide return to work program. Specifically, the Task Force recommended that the Mayor's Office require every City department to implement a light duty program, and designate a light duty coordinator to assist the Workers Compensation Division in placing injured workers in appropriate light duty assignments. The Task Force also recommended that the Workers Compensation Division either designate a single modified duty coordinator, or train claims examiners to place injured workers in light duty assignments. However, the WCD does not have such a return to work coordinator at the present time.

(3) To enhance department record-keeping capabilities concerning work-related injuries and accidents in order to increase departments' accountability for workers compensation costs and to evaluate future cost control efforts. Under Section 16.83-2 of the San Francisco Administrative Code, City departments are required to submit quarterly reports to the Task Force concerning their workers compensation claims. However, compliance with this requirement has been poor, and only seven departments had submitted the required statistical reports to the Task Force as of March, 1993, when the Task Force last reported to the Board of Supervisors. Ms. Teresa Serata reports that, since that time, compliance with the statistical reporting requirements of the Administrative Code has improved, and a large majority of City departments have submitted the required quarterly statistical reports.

2. Mr. Barrie Stewart of the Mayor's Office (who staffs the Task Force in addition to the Mayor's Budget Director) states that the Workers Compensation Task Force is currently engaged in auditing departmental compliance with the injury

and illness reports which are required under Section 16.83-2 of the Administrative Code.

In addition, Mr. Stewart indicates that the Workers Compensation Task Force has requested that the Employees Retirement Board prepare a Request for Proposal for the City's contract for workers compensation medical services, which is currently held by Saint Francis Memorial Hospital. This request is consistent with the findings of the Budget Analyst's recent management audit of the Workers Compensation Division, which recommended that the ERS competitively bid its contract for workers compensation medical services.

3. Since it last reported to the Board of Supervisors in March, 1993, the Workers Compensation Task Force has met quarterly, and held its most recent meeting in December, 1993. Mr. Stewart states that the next meeting of the Workers Compensation Task Force is scheduled for early March, 1994. At that time, the Task Force will review the findings and recommendations of the February, 1994 management audit of the Workers Compensation Division of the Employees Retirement System, which was conducted by the Budget Analyst at the request of the Board of Supervisors. The Workers Compensation Task Force will seek to develop further action plans for the City's workers compensation program at its March meeting, according to Mr. Stewart.

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BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 23, 1994 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO FOR ITEMS 9 & 12

CLERK: MARY L. RED

1. File 101-93-81. [Appropriation, Fire Department] Ordinance appropriating $539,070, Fire Department, 1992 Proposition C Fire Protection Bonds, for capital improvement project for fiscal year 1993-94 (administer Bond Program); providing for ratification of action previously taken. RO #93198 (Controller)

   ACTION: Hearing held. Amended on lines 1, 11, 14, 15 by replacing "$539,070" with "$505,057". New title: Ordinance appropriating $505,057, Fire Department, 1992 Proposition C Fire Protection Bonds, for capital improvement project for fiscal year 1993-94 (administer Bond Program); providing for ratification of action previously taken. RECOMMENDED AS AMENDED

2. File 28-94-1. [DPW - Spot Sewer Repairs, Various Locations] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to repair short sections of sewers in various locations on an emergency basis due to unforeseen sewer failures or imminent danger of failure during fiscal year 1993-94 - $300,000. (Department of Public Works)

   ACTION: Consideration continued to March 2, 1994.

3. File 28-94-2. [DPW - Elmira St. Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Elmira Street between Shafter Avenue and Helena Street - $94,400. (Department of Public Works)

   ACTION: Consideration continued to March 2, 1994.

4. File 28-94-3. [DPW - Third Street Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Third Street between Kirkwood Avenue and La Salle Avenue - $152,110. (Department of Public Works)

   ACTION: Consideration continued to March 2, 1994.

5. File 28–94–4. [DPW – Washington St. Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace collapsed sewer in Washington Street between Grant Avenue and Stockton Street – $125,275. (Department of Public Works)

   ACTION: Consideration continued to March 2, 1994.

6. File 28–94–5. [DPW – Vasquez Avenue Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace collapsed sewer in Vasquez Avenue between Laguna Honda Boulevard and Balceta Avenue – $61,300. (Department of Public Works)

   ACTION: Consideration continued to March 2, 1994.

7. File 28–94–6. [DPW – Twenty–Fifth St. Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Twenty–Fifth Street between Fountain Street and Grand View Avenue – $82,650. (Department of Public Works)

   ACTION: Consideration continued to March 2, 1994.

8. File 47–94–3. [Parking Rates, Seventh and Harrison Lots] Resolution approving a monthly parking rate at the Seventh and Harrison parking lot for Skellington Productions. (Also see File 47–91–4.) (Department of Parking and Traffic)

   ACTION: RECOMMENDED.

9. File 96–94–1. [Sale of Surplus Property – Alameda County] Resolution confirming sale of surplus City–owned property; Alameda County Assessor's Parcel No. 96–310–19. (Also see File 96–85–7; Ordinance No. 556–85.) (Real Estate Department)

   ACTION: RECOMMENDED. (Supervisor Alioto absent)

10. File 101–93–82. [Appropriation, Juvenile Probation Department] Ordinance appropriating $150,533, Juvenile Probation Department, of Federal Subvention Revenue for facilities maintenance at the Youth Guidance Center. RO #93217 (Supervisors Alioto, Bierman)

    ACTION: RECOMMENDED. (Supervisors Alioto and Bierman added as sponsors)

11. File 171-94-1. [CalTrain Downtown Extension] Resolution urging the Joint Powers Board and Metropolitan Transportation Commission adoption of Alternative 8 (Beale and Market Street Terminal) as the preferred alternative for the CalTrain Extension and request that this extension be included on the list of funded Track 1 projects identified in the 1994 Regional Transportation Plan (RTP) and urging the Mayor to support Alternative 8. (Supervisors Hsieh, Alioto, Bierman)

    ACTION: Hearing held. Amendment of the Whole (as presented by City Planning) accepted; further amended. Amendment of the Whole reflecting further amendments RECOMMENDED AS AMENDED. New title: Resolution urging the Joint Powers Board and Metropolitan Transportation Commission adoption of preferred alternatives for the CalTrain Extension to the Financial District, and request that these alternatives to the Financial District be included on the list of funded Track 1 projects identified in the 1994 Regional Transportation Plan (RTP), and urging the Mayor to support the CalTrain Extension to the Financial District.

12. File 172-94-2. [Peninsula Corridor Joint Powers Board Agreement] Resolution authorizing execution of an amendment to Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointment of the City's Public Utilities Commission as a representative of the City on the Joint Powers Board with an appointment of the Airports Commission. (Supervisor Hsieh)

    ACTION: Hearing held. Consideration continued to March 2, 1994. (Supervisor Alioto absent)

13. File 101-93-70. [Appropriation, Police Dept./Citizen Complaints] Ordinance appropriating $61,420, Office of Citizen Complaints, Police Department, from the General Fund Reserve, to restore three positions for Fiscal Year 1993-94; subject of previous budgetary denial. (Companion measure to File 102-93-19). RO #93193 (Supervisors Alioto, Bierman)
(Continued from 2/9/94)

    ACTION: RECOMMENDED. Supervisor Hsieh dissenting. (Supervisor Bierman added as cosponsor)

14. File 102-93-19. [Police Dept., Restoration of Three Positions] Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94) reflecting the restoration of three positions in the Office of Citizen Complaints of the Police Department; companion measure to File 101-93-70. (Supervisors Alioto, Bierman) (Continued from 2/9/94)

    ACTION: RECOMMENDED. Supervisor Hsieh dissenting. (Supervisor Bierman added as cosponsor)

15. File 217-94-2. [Supplemental Budget/Senior Escort Program] Hearing to consider the status of the Board of Supervisor's request for a $290,000 supplemental appropriation for the Senior Escort Program. (Supervisors Hsieh, Alioto, Bierman) (Continued from 1/26/94)

    ACTION: Consideration continued to March 9, 1994.

16. File 69-94-2. [Assessment Appeals Board] Motion directing the Clerk of the Board of Supervisors to submit to the Mayor a request for a supplemental appropriation for $101,663 to strengthen the Department of the Board of Supervisors in its ability to hear property tax assessment appeals. (Supervisor Alioto) (Continued from 2/16/94)

    ACTION: Hearing held. RECOMMENDED.

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BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 20, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: February 23, 1994 Budget Committee Meeting

Item 1 - File 101-93-81

Department: Fire Department

Item: Supplemental appropriation ordinance appropriating 1992 Proposition C Fire Protection Bonds for administrative expenditures related to a capital improvement project for fiscal year 1993-94; providing for ratification of action previously taken.

Amount: $539,070

Source of Funds: Proceeds of Fire Department Facilities Improvements Project General Obligation bonds sold as Series 1993D, in the total amount of $16.6 million

Description: In November, 1992 the voters approved a General Obligation bond measure of $40.8 million for the construction and reconstruction of Fire Department facilities, including seismic strengthening, asbestos abatement, disabled access and separate restroom facilities for male and female Firefighters.

In 1993, the City sold $16.6 million (Series 1993D) of the $40.8 million Fire Department Facilities Improvements Bonds. The $16.6 million in General Obligation bond proceeds was designated for design and architectural services

and engineering services performed by the Department of Public Works, construction costs and project administration performed by the Fire Department.

In May, 1993, the Board of Supervisors approved a $15,204,533 supplemental appropriation ordinance (File 101-92-60) from the $16.6 million proceeds of the Series 1993D bond sale, leaving an unappropriated balance of $1,395,467. The $15,204,533 was appropriated for the first phase of the Fire Department Facilities Improvements Project to make facilities improvements at 32 Fire Stations and Fire Department facilities. The facilities improvements funded by the $15,204,533 include a) seismic strengthening, asbestos abatement, disabled access and separate restrooms improvements ($14,178,143), b) immediate capital improvement requirements over and above seismic strengthening, asbestos abatement, disabled access and separate restrooms improvements ($379,300), c) Bureau of Architecture project administration ($420,000), d) Real Estate Department services ($10,000), e) expenses of temporarily relocating Fire Stations during construction ($100,000) and f) Fire Department project administration ($117,090). The $117,090 for Fire Department project administration included funding for five months (July 1 through November 30, 1993) of salary and fringe benefit costs for two administrative positions and various equipment and operating costs for 12 months (July 1, 1993 through June 30, 1994).

The proposed supplemental appropriation ordinance would appropriate $539,070 of the $1,395,467 balance of the $16.6 million bond proceeds from the Series 1993D bond sale for additional Fire Department project administration expenses of the first phase of the Fire Department Facilities Improvements Project. The additional Fire Department project administration would include continuing to fund the salaries and fringe benefits of two existing Officers for the period from December 1, 1993 through September 30, 1995 (22 months) and the partial funding of nine existing Firefighters and Officers (0.11 FTEs) currently assigned to the Suppression Division during the same time period. The proposed supplemental appropriation ordinance would also continue funding equipment and operating costs related to the administrative positions of the Fire Department Facilities Improvements Project. The Fire Department's estimates of project administrative costs included in the proposed supplemental appropriation are as follows:

Full Time Administrative Staff for the period December 1, 1993 through September 30, 1995		
1 – H-50 Assistant Chief	$262,348	
1 – H-30 Captain	191,758	
Subtotal-Full Time Administrative Staff		$454,106

These two existing full time positions would continue to be responsible for a) all budgeting (supplemental appropriation requests, reserve release requests, etc.) and accounting activities for the first phase of the Fire Department Facilities Improvements Project, b) maintaining construction schedules including phasing in unanticipated, additional asbestos, lead based paint and hazardous materials removal work as needed, c) developing relocation schedules for Fire Stations and other facilities during construction, d) locating temporary sites for relocations, e) creating planning and design criteria for health, safety and women's restrooms improvements and f) working with Department of Public Works architects and engineers in formulating system designs, construction plans and specifications.

The Fire Department estimated that this project would last a total of 27 months beginning July 1, 1993 and ending September 30, 1995. The previously approved supplemental appropriation ordinance (File 101-92-60) appropriated funding for the two full time Administrative Staff positions for the first five months of this 27 months period from July 1 through November 30, 1993. The proposed supplemental appropriation ordinance would appropriate the funding for the 22 months balance (27 months less 5 months) of the estimated project duration beginning December 1, 1993 and ending September 30, 1995.

As Needed Staff		
1 – H-30 Captain (0.05 FTE for 36 months)	$20,790	
3 – H-20 Lieutenants (0.03 FTE per position for 36 months)	8,933	
5 – H-2 Firefighters (0.03 FTE per position for 36 months)	11,941	
Subtotal-As Needed Personnel		41,664

One existing H-30 Captain in the Suppression Division would be assigned to the Fire Department Facilities Improvements Project for ten hours each month (0.05 FTE) to coordinate the relocation of Fire Department staff and equipment from Fire Stations that are to be renovated to temporary locations and back into the Fire Stations when renovations are complete. For that ten hour assignment each month, the Captain would be paid from bond funds instead of from the General Fund.

The proposed $20,790 in bond funding for the Captain position is based on a 36 month duration for this as-needed assignment. However, Assistant Chief James Lynch, the Fire Department Chief in charge of the Fire Department Facilities Improvements Project, indicates that this request should be reduced from the requested 36 months of funding to $12,705 for the 22 month period from December 1, 1993 through September 30, 1995 (see Comment 2, below).

In order to form an advisory panel for the renovation of restrooms, two female H-20 Lieutenants and four female H-2 Firefighters from the Suppression Division would be reassigned for six hours each month (0.03 FTE) to the Fire Department Facilities Improvements Project Privacy Panel. The two Lieutenants and four Firefighters would be paid from bond funds instead of the General Fund for the six hours each month. The Privacy Panel will review and analyze architectural drawings to insure that the drawings meet the needs of the Fire Department's female Firefighters and Officers before the construction work is put out to bid.

The Privacy Panel will also include one H-20 Lieutenant and one H-2 Firefighter from each Fire Station, on a rotating basis for a total of six hours each (0.03 FTE), per month, as each Fire Station is renovated to add restrooms for female Firefighters and Officers. These existing positions currently assigned to the Suppression Division would also be paid from the proposed bond funds when reassigned to the Privacy Panel.

The proposed bond funding of $8,933 for as-needed Lieutenants and $11,941 for as-needed Firefighters is based on a 36 month duration for this as-needed assignment. However, Assistant Chief Lynch indicates that this request should be reduced from the requested 36 months of funding to $$5,459 for Lieutenants and $7,279 for Firefighters for the 22 month period from December 1, 1993 through September 30, 1995 (see Comment 2, below).

Equipment and Operating Costs

Automobiles (2 @ $16,500 each)	$33,000

According to Assistant Chief Lynch, the two Full Time Administrative staff each require an automobile because the 32 Fire Department facilities that are being renovated are located throughout the City. Currently the two Officers are borrowing two automobiles from another Fire Department division. Assistant Chief Lynch, reports that in the first five months of the project, he has averaged approximately 2,000 miles monthly (24,000 miles annually). The previously approved supplemental appropriation ordinance (File 101-92-60) included $5,500 for the rental of automobiles for the first year of the project (see Comment 3, below).

Computer Equipment	5,000

The Full Time Administrative staff are currently using computer equipment borrowed from the Fire Department's Suppression Division. According to Assistant Chief Lynch, the Suppression Division loaned the computer equipment on a temporary basis until the Fire Department Facilities Improvements Project could purchase the necessary computer equipment. The previously approved supplemental appropriation ordinance (File 101-92-60) included $2,196 for renting computer equipment for the first year of the Fire Department Facilities Improvements Project, which, when added to the proposed $5,000 totals $7,196. Assistant Chief Lynch estimates that the full cost of two computers for the Full Time Administrative Staff and the required accessories and software will require the full amount of $7,196.

Fax Machine	$1,000

The previously approved supplemental appropriation ordinance (File 101-92-60) included $792 for the rental of a Fax machine for the first year of the Fire Department Facilities Improvement Project. The $792 has not been spent and would be added to the proposed $1,000 for a total of $1,792 to purchase a Fax machine (see Comment 4, below).

Moving Expense	1,000

Assistant Chief Lynch states that when this proposed supplemental appropriation ordinance was submitted, $1,000 was included for moving the Fire Department Facilities Improvements Project administration offices to a new location. Assistant Chief Lynch now advises that this $1,000 for Moving Expense is no longer required (see Comment 5, below)

Telephone Expense	3,300

The proposed $3,300 would provide funding for 27 months at approximately $122 per month. However, the previously approved supplemental appropriation ordinance (File 101-92-60) included $1,800 for Telephone Expense for the first year of the Fire Department Facilities Improvement Project (see Comment 6, below).

Subtotal-Equipment and Operating Costs	$43,300
Total Proposed Supplemental Appropriation	**$539,070**

Comments:

1. Assistant Chief Lynch indicates that some costs included in the proposed supplemental appropriation ordinance have already been incurred. Therefore, the proposed supplemental appropriation ordinance ratifies actions previously taken.

2. Assistant Chief Lynch advises that when the proposed supplemental appropriation ordinance was prepared, the As-Needed Staff projections were based on 36 months. According to Assistant Chief Lynch, these positions should only be funded for the 22 months period from December 1, 1993 through September 30, 1995. Therefore, the proposed supplemental appropriations for these as-needed staff positions can be reduced as follows:

	Proposed Supplemental Appropriation	Funding Required	Savings
1 – H-30 Captain	$20,790	$12,705	$8,085
3 – H-20 Lieutenants	8,933	5,459	3,474
5 – H-2 Firefighters	11,941	7,279	4,662
Total	$41,664	$25,443	$16,221

3. Assistant Chief Lynch indicates that the $5,500 previously approved for renting automobiles for the first five months of the project (File 101-92-60) has not been spent because two automobiles have been borrowed from another division. Therefore, the $33,000 included in the proposed supplemental appropriation for the purchase of two automobiles ($16,500 each) can be reduced by $5,500. The Purchaser's Office reports that new automobiles comparable to those currently being used by the Fire Department bond administration Officers can be purchased for approximately $12,000 each including sales tax or a reduction of $4,500 each. Therefore, the proposed supplemental appropriation for the two automobiles can be reduced by a total of $14,500 ($5,500 previously approved funding plus $4,500 each for the two automobiles or $9,000). The Fire Department currently has a total of 69 automobiles as detailed in the attached list. As of the writing of this report, the Fire Department was unable to provide a complete listing of actual assignments of these automobiles.

4. The previously approved supplemental appropriation ordinance (File 101-92-60) included $792 for the rental of a Fax machine. Assistant Chief Lynch reports that the $792 has not been spent. The proposed supplemental appropriation includes $1,000 for a Fax machine purchase for a total of $1,792. According to the Purchaser's Office, a Fax machine would cost approximately $1,300, including sales tax. Therefore, the proposed supplemental appropriation for a Fax machine purchase should be reduced by $492 ($1,792 total available funding less $1,300 cost) from $1,000 to $508.

5. As noted above, the $1,000 for Moving Expense included in the proposed supplemental appropriation ordinance is no longer required. Therefore, the $1,000 for Moving Expense included in the proposed supplemental appropriation ordinance should be deleted.

6. Assistant Chief Lynch reports that $3,300, the amount of the proposed supplemental appropriation for Telephone Expense, is sufficient for the entire 27 months of the first phase of the Fire Department Facilities Improvements Project. Therefore, the proposed supplemental appropriation for Telephone Expense can be reduced by the previously appropriated $1,800 for Telephone Expense (File 101-92-60), that has not yet been expended.

7. Because the original budget for the $40.8 million General Obligation Bond measure, as proposed to the electorate, did not include a specific allocation for administrative costs of the Fire Department, the Capital Improvements Advisory Committee (CIAC) declines to make a recommendation regarding this proposed supplemental appropriation ordinance for administrative costs of the Fire Department. Mr. Steve Nelson of the Chief Administrative Officer's Office states that although it is reasonable that any such bond funded project would incur administrative costs, lacking a specific allocation included in the bond measure, the CIAC does not have a basis for judging the appropriateness of the proposed Fire Department administrative costs and therefore, declines to make a recommendation. According to Mr. Nelson, the CIAC did not review the previously approved supplemental appropriation ordinance (File 101-92-60) that provided the initial five months funding for the Fire Department's bond administration because the CIAC did not receive all the necessary information regarding the supplemental appropriation before the legislation was approved by the Board of Supervisors. Therefore, the CIAC review of the proposed supplemental appropriation ordinance is the first such review of the Fire Department's bond project administration.

8. The Fire Department bond project administration unit has been operating since July 1, 1993 without renting any automobiles or renting any other equipment, even though monies were appropriated for such rentals (the Fire Department has 69 automobiles as detailed in the Attachment). The bond project administration unit should continue to use existing automobiles and equipment.

Recommendations: 1. As discussed in Comment 8, above, the Fire Department bond project administration unit should continue to use existing automobiles and equipment. Therefore, the proposed supplemental appropriation ordinance should be amended to delete funding for two automobiles, computer equipment and a Fax machine. As detailed in Comments 2, 5 and 6 above, the proposed supplemental appropriation funding for As-Needed Staff, Moving Expenses and Telephone Expenses should also be reduced. The total reduction would be $58,021 from $539,070 to $481,049, as follows:

	Proposed Supplemental Appropriation	Funding Required	Savings
Full Time Administrative Staff			
H-50 Assistant Chief	$262,348	$262,348	0
H-30 Captain	191,758	191,758	0
As-Needed Staff			
H-30 Captain	20,790	12,705	$8,085
H-20 Lieutenants	8,933	5,459	3,474
H-2 Firefighters	11,941	7,279	4,662
Equipment and Operating Costs			
Automobiles	33,000	0	33,000
Computer Equipment	5,000	0	5,000
Fax Machine	1,000	0	1,000
Moving Expense	1,000	0	1,000
Telephone Expense	3,300	1,500	1,800
Total	$539,070	$481,049	$58,021

2. Approval of the proposed supplemental appropriation ordinance as amended is a policy matter for the Board of Supervisors.

		ASSIGNMENT	YEAR	MAKE	TYPE	DEPT NO.	ASSIGNED TO
1		BATTALION 03	1983	CHEVROLET	SEDAN	364	ACTIVE FIRE
2		BATTALION 04	1983	CHEVROLET	SEDAN	362	ACTIVE FIRE
3		BATTALION 05	1983	CHEVROLET	SEDAN	361	ACTIVE FIRE
4		BATTALION 06	1983	CHEVROLET	SEDAN	363	ACTIVE FIRE
5		BATTALION 07	1991	FORD	SEDAN	202	ACTIVE FIRE
6		BATTALION 08	1991	FORD	SEDAN	201	ACTIVE FIRE
7		BATTALION 09	1983	CHEVROLET	SEDAN	367	ACTIVE FIRE
8		BATTALION 10	1991	FORD	SEDAN	203	ACTIVE FIRE
9		CHIEF OF DEPARTMENT	1990	OLDSMOBILE	SEDAN	404	ACTIVE FIRE
10		DEPUTY CHIEF (CD2)	1992	FORD	SEDAN	377	ACTIVE FIRE
11		DEPUTY CHIEF (CD3)	1989	PLYMOUTH	SEDAN	113	ACTIVE FIRE
12		DIVISION 02	1992	FORD	SEDAN	378	ACTIVE FIRE
13		DIVISION 03	1992	FORD	SEDAN	376	ACTIVE FIRE
14		RELIEF CHIEF OF DEPT	1983	CHEVROLET	SEDAN	366	ACTIVE FIRE
15		RELIEF STATION 05	1985	FORD	SEDAN	369	ACTIVE FIRE
16		RELIEF STATION 13	1983	CHEVROLET	SEDAN	365	ACTIVE FIRE
17		RELIEF STATION 31	1982	PLYMOUTH	SEDAN	360	ACTIVE FIRE
18		RELIEF STATION 38	1985	FORD	SEDAN	368	ACTIVE FIRE
19		RELIEF STATION 39	1985	FORD	SEDAN	370	ACTIVE FIRE
20		AUX-WTR-SUPPLY-SYS	1984	CHEVROLET	SEDAN	371	STEVE VAN DYKE
21		AUX-WTR-SUPPLY-SYS	1984	FORD	SEDAN	372	BILL GUNN
22		BUREAU FIRE INVEST	1985	FORD	SEDAN	100	LT. CARR
23		BUREAU FIRE INVEST	1986	FORD	SEDAN	104	CHIEF BRACCO
24		BUREAU FIRE PREVENT	1984	CHEVROLET	5-DOOR	001	MANUEL PEGUEROS
25		BUREAU FIRE PREVENT	1984	CHEVROLET	5-DOOR	002	TONY HAMPTON
26		BUREAU FIRE PREVENT	1984	CHEVROLET	5-DOOR	003	BILL JACKSON
27		BUREAU FIRE PREVENT	1984	CHEVROLET	5-DOOR	004	BOB KEHOE
28		BUREAU FIRE PREVENT	1984	CHEVROLET	5-DOOR	006	KAAN CHIN
29		BUREAU FIRE PREVENT	1984	CHEVROLET	5-DOOR	007	ART COFRESI
30		BUREAU FIRE PREVENT	1985	FORD	5-DOOR	008	PETER SIKORA

31		BUREAU FIRE PREVENT	1985	FORD	5-DOOR	009	BURT REYES
32		BUREAU FIRE PREVENT	1985	FORD	5-DOOR	010	MARIO BALLARD
33		BUREAU FIRE PREVENT	1985	FORD	5-DOOR	011	GLEN ALSTON
34		BUREAU FIRE PREVENT	1986	FORD	5-DOOR	016	WILLIAM JOVICKI
35		BUREAU FIRE PREVENT	1986	FORD	5-DOOR	017	PETER SCHEMBRI
36		BUREAU FIRE PREVENT	1986	FORD	5-DOOR	018	KEVIN CALLAGHAN
37		BUREAU FIRE PREVENT	1986	FORD	5-DOOR	019	SCOTT PERPLES
38		BUREAU FIRE PREVENT	1986	FORD	5-DOOR	020	GENERAL JAMES
39		BUREAU FIRE PREVENT	1987	PLYMOUTH	SEDAN	021	BILL BIGARANI
40		BUREAU FIRE PREVENT	1987	PLYMOUTH	SEDAN	022	JIM GRAVANIS
41		BUREAU FIRE PREVENT	1987	PLYMOUTH	SEDAN	023	TOM HARVEY
42		BUREAU FIRE PREVENT	1987	PLYMOUTH	SEDAN	024	JOE GRAFF
43		BUREAU FIRE PREVENT	1987	PLYMOUTH	SEDAN	025	KEN CEREGHINO
44		BUREAU FIRE PREVENT	1988	PLYMOUTH	SEDAN	026	MARY BOUCHER
45		BUREAU FIRE PREVENT	1988	PLYMOUTH	SEDAN	027	ERNIE LI
46		BUREAU FIRE PREVENT	1988	PLYMOUTH	SEDAN	111	CHIEF CONDON
47		BUREAU FIRE PREVENT	1977	PLYMOUTH	SEDAN	275	CRAIG BROWN
48		BUREAU FIRE PREVENT	1980	PLYMOUTH	SEDAN	351	PATRICK STRANAHA
49		BUREAU FIRE PREVENT	1980	PLYMOUTH	SEDAN	352	MILTON YUEN
50		BUREAU FIRE PREVENT	1980	PLYMOUTH	SEDAN	354	MARTA MC GOVERN
51		BUREAU FIRE PREVENT	1980	PLYMOUTH	SEDAN	355	JIM MC COY
52		BUREAU FIRE PREVENT	1982	PLYMOUTH	SEDAN	356	SHEILA HUNTER
53		BUREAU FIRE PREVENT	1986	PLYMOUTH	SEDAN	375	DIANA SHORTALL
54		BUREAU OF EQUIPMENT	1986	FORD	SEDAN	103	CAPT MORENO
55		COMMUNICATIONS CTR.	1986	FORD	SEDAN	101	CHIEF GROSHONG
56		DIVISION OF TRAINING	1987	PLYMOUTH	SEDAN	107	CHIEF DA CUNHA
57		DIVISION OF TRAINING	1980	PLYMOUTH	SEDAN	353	CAPT ARMSTRONG
58		DIVISION OF TRAINING	1982	PLYMOUTH	SEDAN	357	CAPT MC KINLEY
59		FIRE STATION PROJECT	1987	PLYMOUTH	SEDAN	108	CAPT SHORE
60		FIRE STATION PROJECT	1987	PLYMOUTH	SEDAN	110	CHIEF LYNCH
61		HEADQUATERS	1988	PLYMOUTH	SEDAN	112	LT. FUHRMAN
62		MANAGEMENT SERVICES	1985	DODGE	SEDAN	028	RECRUITMENT

63		MANAGEMENT SERVICES	1987	PLYMOUTH	SEDAN	106	CHIEF DEMMONS
64		MGT SERVICES I.S.I.	1987	PLYMOUTH	SEDAN	109	CAPT NOLAN
65		MGT SERVICES I.S.I.	1982	CHEVROLET	SEDAN	402	LT. EVANS
66		PERSONEL CENTER	1986	FORD	SEDAN	102	CHIEF SEYLER
67		STRESS UNIT	1979	CHEVROLET	SEDAN	373	TIM HEFFERNAN
68		SUPPORT SERVICES	1986	FORD	SEDAN	105	CHIEF SCALES
69		SUPPORT SERVICES	1982	PLYMOUTH	SEDAN	359	CAPT KEARNY

Items 2, 3, 4, 5, 6, & 7 - Files 28-94-1, 28-94-2, 28-94-3, 28-94-4, 28-94-5, & 28-94-6

Department: Department of Public Works (DPW)

Items: Item 2, File 28-94-1 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to repair short sections of sewers in various locations on an emergency basis due to unforeseen sewer failures or imminent danger of sewer failures, in the amount of $300,000.

Item 3, File 28-94-2 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Elmira Street between Shafter Avenue and Helena Street, in the amount of $94,400.

Item 4, File 28-94-3 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Third Street between Kirkwood Avenue and La Salle Avenue, in the amount of $152,110.

Item 5, File 28-94-4 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a collapsed sewer in Washington Street between Grant Avenue and Stockton Street, in the amount of $125,275.

Item 6, File 28-94-5 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a collapsed sewer in Vasquez Avenue between Laguna Honda Boulevard and Balceta Avenue, in the amount of $61,300.

Item 7, File 28-94-6 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Twenty-Fifth Street between Fountain Street and Grand View Avenue, in the amount of $82,650.

Amount:	$300,000 - File 28-94-1
	94,400 - File 28-94-2
	152,110 - File 28-94-3
	125,275 - File 28-94-4
	61,300 - File 28-94-5
	82,650 - File 28-94-6
	$815,735 Total

Source of Funds: Sewer Service Charge

Comment: The DPW has requested that these items be continued to the Budget Committee meeting on March 2, 1994 in order to allow the Department additional time to provide the background information on the above-noted emergency repairs.

Recommendation: Continue these items to the Budget Committee meeting on March 2, 1994, as requested by the DPW.

Item 8 - File 47-94-3

Department: Department of Parking and Traffic (DPT)

Item: Resolution approving a monthly parking rate at the Seventh and Harrison Parking Lot for Skellington Productions.

Description: The Seventh and Harrison Parking Lot is a City-owned facility located on the corner of Seventh Street at Harrison Street. The Parking Lot is operated by Allright Parking under a management agreement with the City whereby the operator pays the City 69.09 percent of gross revenues.

The San Francisco Parking and Traffic Commission has oversight responsibility of City-owned parking facilities. This responsibility includes reviewing the parking fees and monthly parking permits charged at City-owned garages and lots and making recommendations to the Board of Supervisors for changes in parking fees.

Skellington Productions is a film production company operating at the San Francisco Studios on Harrison Street. According to the proposed resolution, this firm is interested in staying at the Harrison Street site, but the availability of parking near that site is limited. As a result, Skellington Productions has requested 75 monthly parking spaces at the Seventh and Harrison Parking Lot.

The Parking and Traffic Commission has reviewed this request and concluded that there is adequate space in the Seventh and Harrison Parking Lot to accommodate 75 monthly parkers since the average daily occupancy rate of this lot is 20 percent. The Commission approved a resolution on February 1, 1994 recommending that the Board of Supervisors authorize Allright Parking Company to sell up to 75 parking permits at the Seventh and Harrison Parking Lot to Skellington Productions at a rate of $80 per monthly permit for a total of $6,000 per month (75 permits x $80) or $72,000 annually.

Comments: 1. There are 192 parking spaces at the Seventh and Harrison Parking Lot, all of which are used for transient parkers. The Seventh and Harrison Parking Lot does not currently have monthly parkers. As previously noted above, this parking lot has an average daily occupancy rate of 20 percent or approximately 38 of the 192 spaces. Thus, on average, there are approximately 154 vacant spaces on a daily basis at the Seventh and Harrison Parking Lot which is 79 more than the requested 75 spaces for monthly parking.

2. According to Mr. Hagerty, the intention of providing Skellington Productions with the proposed 75 monthly parking spaces is to encourage this firm to remain in San Francisco while providing the City with additional revenue. According to the proposed resolution, Skellington Productions has spent approximately $10 million over the past three years in San Francisco making films. The requested 75 monthly parking spaces, if approved, would be the only monthly parking spaces allocated at the Seventh and Harrison Parking Lot.

3. The monthly rates at other City-owned garages range from $75 to $310. According to Mr. Hagerty, based on a survey of surrounding monthly parking rates, the proposed $80 monthly rate for the Seventh and Harrison Parking Lot is competitive for the area the Parking Lot serves.

4. Based on the anticipated $72,000 gross parking revenues associated with the proposed 75 monthly parking permits, the City would receive $54,196 in annual revenues as follows:

Total Revenue Associated with 75 Monthly Parking Permits	$72,000
Less Parking Tax Revenue @ 25% (which is included in the $72,000)	14,400
Net Parking Revenues (less Parking Taxes)	$57,600
City Receives 69.09% of Net Parking Revenues	39,796
Total Annual Revenues to the City Including $14,400 in Parking Tax Revenues and $39,796 in Parking Revenues.	$54,196

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 9 - File 96-94-1

Department: Department of Real Estate (DRE)
Water Department

Item: Resolution confirming the sale of surplus City-owned property; Alameda County Assessor's Parcel No. 96-310-19

Description: In December of 1985, the Board of Supervisors authorized the sale of seven parcels of City-owned surplus property in Alameda County that was under the jurisdiction of the Water Department (Ordinance 556-85). According to the Department of Real Estate, six of these seven parcels of land have already been sold. The proposed resolution would confirm the sale of the seventh parcel of land, Alameda County Assessor's Parcel No. 96-310-19. This parcel, which consists of 4.6 acres of vacant land, is located on Foothill Road in Alameda County

The Department of Real Estate held a public auction on January 31, 1994 and received two bids for this piece of City-owned surplus property. The highest bid price for this surplus property was $83,000, which is $18,000 more than the required minimum bid of $65,000. This $83,000 would be deposited into the Water Department's Enterprise Fund. Mr. Harry Quinn of the Department of Real Estate reports that the fair market value of the subject land is $65,000 which was the required minimum bid.

According to the proposed resolution, the sale of this land parcel would have no effect on the City's Master Plan because this property is located in Alameda County.

Comment: Mr. Quinn reports that the auction on January 31, 1994 was the third time the Department has tried to auction this parcel of land. The Department did not receive any bids for this parcel at the first two auctions.

Recommendation: Approve the proposed resolution.

Item 10 - File 101-93-82

Department: Juvenile Probation

Item: Ordinance appropriating funds for facilities maintenance at the Youth Guidance Center (YGC).

Amount: $150,533

Source of Funds: Miscellaneous Federal and State Subventions (Federal Title IV E Funds)

Description: In previous years, the Juvenile Probation Department has received funding for facilities maintenance in its own budget and from the Bureau of Building Repair of the Department of Public Works. Such funding has declined in recent years and, as reported by the Department, the condition of the facility has deteriorated. The Department reports that this request would fund those maintenance items that are the most urgent and that address safety and health concerns at the YGC.

The recent budget history for facilities maintenance at the Youth Guidance Center, which has been financed with General Fund monies, is shown below. Between fiscal years 1990-91 and 1993-94 the budget has declined by $150,708, representing a 43.2 percent decrease.

Fiscal Year Budget	1990-91	1991-92	1992-93	1993-94
Juvenile Probation Dept.	$185,000	$165,000	$165,000	$198,100
DPW Bureau of Building Repair	163,808	155,521	89,558	0
	$348,808	$320,521	$254,558	$198,100

Chief Juvenile Probation Officer Fred G. Jordan reports that as of December 15, 1993, the Department had expended or encumbered approximately $180,000 of the $198,100 budgeted for facilities maintenance for FY 1993-94. Mr. Jordan stated that there is an increased need for facilities maintenance this year because of continued deterioration of the YGC and because of damage caused by recent disturbances. The following is a listing of the maintenance projects that would be funded by this supplemental appropriation request, with a low and high cost estimate for each project:

Repair	Low Estimate	High Estimate
Window Repairs	$10,150	$11,000
Backflow prevention	7,200	8,000
Pressure reducing station	8,800	9,400
Security window installation in B5	30,000	33,000
Heavy duty smoke alarm guards in B5	11,520	12,300
Repair sink holes in parking lot	18,000	19,000
Security call button in medical/dental clinic	12,500	13,000
Walk-in refrigerator ceiling repair	3,000	3,500
Security lighting in parking lot	7,500	8,000
Repair hand rails at cottages	2,500	3,000
Relocate elec. outlets from hazardous spots	3,000	3,300
Install ventilation system in MIS office	5,000	5,750
ADA-required cement accessibility ramps	15,000	16,000
Brush, debris, vermin removal from grounds	4,500	5,000
Total	$138,670	$150,250

Ms. Patricia Grice of the Juvenile Probation Department reports that the estimated costs were developed by the Department's Superintendent for Buildings and Grounds. Ms. Grice further reports the estimates are based on discussions with staff from the Department of Public Works (DPW), for those projects that would require work orders to the Bureau of Building Repair, and on the Superintendent's own materials and labor cost analyses, for those projects that would be completed by the Department's stationary engineers and on-call institutional utility workers. However, no firm quotations were obtained and no detailed written cost estimates were provided to the Budget Analyst.

The proposed supplemental appropriation ordinance is for $150,533, or $283 more than the total of the high estimate. Ms. Grice reports that the Department developed an expenditure projection for facilities maintenance costs in November, as follows:

1993-94 Budget		$198,100
Actual expenditures through 11/30/93	$167,823	
Projected expenditures 12/1/93 through 6/30/94	217,056	
Total Projected Expenditures FY 1993-94		384,879
Estimated budget Deficiency		186,779
Another Supplemental Appropriation Request pending in the Mayor's Office		36,246
Amount of this Request		$150,533

Comments:

1. Mr. Jordan reports that the Mayor's Juvenile Justice Task Force is expected to make its own recommendations regarding the YGC in early March 1994, and that the report of the Task Force will identify facilities maintenance needs that affect health and security at the facility. Mr. Jordan further reports that the maintenance items listed above represent the basic facility maintenance requirements that need to be addressed regardless of the recommendations of the Mayor's Juvenile Justice Task Force.

2. Federal Title IV E Funds are Federal and State subventions allocated to the City on the basis of the level of services provided by the Juvenile Court and by the Department of Social Services. No General Fund monies would be required as a result of this appropriation.

3. The Capital Improvement Advisory Committee (CIAC), in a letter dated January 26, 1994, recommends approval of the proposed supplemental appropriation in the amount requested. The CIAC letter notes that the Department's budget request for FY 1993-94 for maintenance of the YGC was $265,000, or $66,900 more than $198,100 amount that was approved in the FY 1993-94 budget. Ms. Grice states that the reason that the Department is now requesting $150,533 instead of the balance of $66,900 that was not funded in the budget is because the Bureau of Building Repair did not receive funding in its budget for facilities maintenance at the YGC, as the Bureau had in past years (as shown in the table on the first page of this report). The CIAC letter also notes that other needed capital improvement projects at the facility which have not been funded would cost over $17,000,000.

4. As previously stated, the Mayor's Juvenile Justice Task Force is expected to issue its report, including recommendations pertaining to the facilities maintenance needs for YGC, in early March, or within approximately two weeks. Therefore, the Budget Analyst believes that it may be prudent to withhold a final decision on this request pending the release of the report by the Mayor's Juvenile Justice Task Force in order that the priorities for capital projects and facilities maintenance at YGC can be considered in the most cost effective manner possible.

5. Ms. Grice disagrees with the Budget Analyst's recommendation and states that the facilities maintenance projects that would be funded under the proposed supplemental appropriation need to be corrected immediately. The Budget Analyst notes that the deteriorating conditions of

the Youth Guidance Center have existed for months and that a short continuance of this request, for purposes of analyzing the shortly forthcoming Juvenile Justice Task Force report, would place the Board of Supervisors in a better position to prioritize all of the facilities maintenance funding needs at the Youth Guidance Center.

6. Mr. Nothenberg, the Chief Administrative Officer, states "It is the CIAC's understanding that the funds being requested will be used to address a variety of health and safety concerns at the Youth Guidance Center. While not in possession of the recommendations of the Mayor's Juvenile Justice Task Force, the CIAC feels that projects of this type will need to be undertaken in the short term because of the length of time it will take to implement any major physical changes to the facility or, if it is deemed necessary, to construct a new facility."

7. Ms. Theresa Lee of the Mayor's Office stated that the requested maintenance and repairs, which affect health and public safety needs, must be addressed immediately, regardless of the forthcoming Task Force recommendations.

Recommendation: From a fiscal standpoint, the Budget Analyst would recommend that this request for additional facilities maintenance funding be continued, pending release of the shortly forthcoming report by the Mayor's Juvenile Justice Task Force in order that the priorities for capital improvement projects and facilities maintenance at the Youth Guidance Center can be considered at the same time to achieve the most cost effective solutions.

However, because of the reported health and safety issues involved, we consider approval of this request to be a policy decision for the Board of Supervisors.

Items 11 and 12 - Files 171-94-1 and 172-94-2

Items:

171-94-1: Resolution urging the Joint Powers Board and Metropolitan Transportation Commission to adopt Alternative 8 (Beale and Market Street Terminal) as the preferred alternative for the CalTrain extension, and request that this extension be included on the list of funded Track 1 projects identified in the 1994 Regional Transportation Plan (RTP) and urging the Mayor to support Alternative 8.

172-94-2: Resolution authorizing the execution of an amendment to the Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointed member of the City's Public Utilities Commission (PUC) as a representative of the City on the Joint Powers Board with an appointed member of the Airports Commission.

Description:

171-94-1: In an effort to improve connectivity between existing rail transit systems in the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) identified the CalTrain extension in downtown San Francisco as a vital component in its New Rail Transit Starts and Extensions Program. The MTC and the Joint Powers Board have been reviewing various CalTrain downtown connection options and have developed a list of eight alternatives. The proposed resolution would urge the Joint Powers Board and the MTC to 1) adopt Alternative 8 and 2) include the CalTrain extension into downtown San Francisco on the MTC's list of funded Track 1 projects identified in the 1994 Regional Transportation Plan (RTP). The eight alternatives are as follows:

Alternative 1; Maintain terminal at 4th and Townsend Streets. This alternative retains the CalTrain Terminal at 4th and Townsend and is used as a basis for comparison with other downtown connection points. Access to downtown San Francisco would be improved with the extension of Muni Metro to within one block of the terminal. The estimated cost is $161.5 million.

Alternative 2; Extension to 2nd and Market Streets. Under this alternative, CalTrain would extend along Townsend and Second Streets, where it would terminate at an underground station adjacent to the Montgomery Street BART Station on Market Street. The estimated cost is between $409.4 million and $602.6 million.

Alternative 3: Surface/Subway Extension to TransBay Terminal (Sub-end terminal). This alignment follows Townsend Street to the TransBay Terminal where it transitions from a subway through Rincon Hill to an aerial structure. The estimated cost is between $539 million and $583.5 million.

Alternative 4: Surface/Subway Extension to TransBay Terminal (Loop track terminal). This alternative also accesses the TransBay Terminal along Townsend Street and uses the existing bus ramps for the trackbed, thereby allowing trains to proceed through the terminal in a single direction without reversing. The estimated cost is between $552.8 million and $641.5 million.

Alternative 5: Surface/Subway to Relocated TransBay Terminal Between Main and Beale. This alternative addresses an option evaluated by Muni to relocate the TransBay Terminal to a site on State-owned property between Main and Beale Streets; this relocation and demolition of portions of the existing bus ramps would free up the existing site for future development. The CalTrain alignment would follow Townsend and Second Streets to the terminal as in Alternative 3 and 4, but would then turn easterly south of the TransBay Terminal (between Howard and Natoma Streets) and terminate at Beale Street (behind or perpendicular to the new Terminal options). The estimated cost is between $531.6 million and $725.5 million.

Alternative 6: Surface Alignment to 7th and Market Streets and 2nd and Market Streets using Self-propelled Electric Equipment. This alternative would require traffic interference on City streets and pose accident risks because the trains would run on surface streets from the existing 4th and Townsend Streets to 2nd and Market Streets. The estimated cost is $232.3 million.

Alternative 7: Surface Alignment to 7th and Market Streets Using Light Rail Train (LRT) Equipment. This alternative is similar to Alternative 6 in that it involves branch line service to both the Civic Center and the Financial District, but this alternative employs LRT-type technology instead of self-propelled motor units and retrofitted gallery cars. The primary advantage would be the ability of Muni Metro and Santa Clara County light rail to use the Peninsula mainline tracks, which would have LRT-type technology under this alternative, and to expand light rail service both within and external to the counties in which this service is currently operated. The estimated cost is $478.5 million.

Alternative 8: Surface-Subway to Market and Beale Streets. This alternative is similar to Alternative 2, except that the alignment follows Townsend and Beale Streets to Market Street instead of Townsend and Second Streets. City traffic would be disrupted less on Beale Street compared to Second Street, and the terminal would be well situated for transfers to both BART (Embarcadero Station) and to the existing or relocated TransBay terminal. The estimated cost is between $490.5 million and $685.98 million.

172-94-2: On August 20, 1991 the City entered into a Joint Powers Agreement (JPA) with the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District regarding the Peninsula Corridor Project. The Peninsula Corridor Project involves the CalTrain route that currently extends from Gilroy to San Francisco. At that time a JPA Board was established as the eventual successor to the California Department of Transportation (Caltrans) to oversee the CalTrain operator, which is currently Amtrak.

The JPA Board consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the PUC.

The proposed resolution would amend the JPA to replace the City's PUC representative with a member of the Airports Commission. According to the proposed resolution, the Airport, through its Master Plan, is working with Peninsula agencies and jurisdictions on the development of intercounty transportation and traffic mitigation systems. Proposition M, which the electorate approved in November of 1993, authorized the creation of a Department of Transportation to which Muni would be transferred from the PUC. Thus, according to the proposed resolution, the City's PUC representative to the JPA Board should be replaced with a member of the Airports Commission.

Comments:

1. Approximately 40 percent of CalTrain's operating costs are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance, after subtracting the Federal subsidy, is borne by the counties of San Francisco, San Mateo and Santa Clara based on their respective riderships. San Francisco's share is 10.2 percent, San Mateo's share is 51 percent and Santa Clara's share is 38.8 percent.

In FY 1993-94, San Francisco's share of CalTrain's operating costs was approximately $2.2 million. According to Ms. Kathleen Kelly of the PUC, for FY 1993-94, the City budgeted $947,000 from General Fund monies, all of which comes from Muni's budget, as its share of CalTrain's operating costs. Ms. Kelly notes that the City needs to appropriate the remaining $1,253,000 through a supplemental appropriation to make up the FY 1993-94 shortfall.

Ms. Kelly advises that it is unclear whether replacing the City's PUC representative to the JPA Board with a member of the Airports Commission would also transfer the City's share of CalTrain's operating costs to the Airport's budget. Ms. Kathryn Pennypacker of the City Attorney's Office reports that the Airport and the City Attorney's Office are reviewing whether the City's share of CalTrain's operating costs could be transferred to the Airport's budget.

2. On February 22, 1994, the PUC will consider a resolution urging the Mayor to execute on behalf of the City and County of San Francisco an amendment to the JPA governing the Peninsula Corridor Project to replace the City's PUC representative with a member of the Airports Commission. According to the proposed PUC resolution, with the implementation of Proposition M, the JPA must be amended because the PUC will no longer be concerned with transportation matters.

3. According to Mr. Bill Wycko of the Department of City Planning, the MTC and the JPA will decide by March 3, 1994 which CalTrain downtown extension alternative to implement.

4. According to Mr. Charles Rivasplata of the Department of City Planning, the City would not be required to provide any funding for the CalTrain downtown extension project. Rather, Mr. Rivasplata states that the MTC has identified the following sources of funding for the CalTrain downtown extension: Federal Intermodal Surface Transportation Efficiency Act funds, transportation funds from Santa Clara and San Mateo Counties, and MTC Rail Modification funds.

5. As previously noted, the estimated costs of Alternative 8, which the proposed resolution urges the adoption as the preferred alternative: Surface-Subway to Market and Beale Streets, vary between $490.5 million and $685.98 million. The actual cost will depend on 1) the length of the subway, and 2) whether CalTrain continues to provide diesel locomotive service or whether it converts to an electric locomotive system.

Recommendation: Approval of the proposed resolutions are policy matters for the Board of Supervisors.

Items 13 and 14 - Files 101-93-70 and 102-93-19

Note: These items were continued from the February 9, 1994 Budget Committee meeting.

Department: Police Department - Office of Citizens Complaints (OCC)

Item: Supplemental Appropriation Ordinance (File 101-93-70) and Ordinance Amending the Annual Salary Ordinance (File 102-93-19) for restoration of three positions in the OCC. The positions are the subject of previous budgetary denial and therefore require a two thirds majority vote for Board of Supervisors Approval.

Amount: $61,420

Source of Funds: General Fund General Reserve

Description: 1. The OCC's 1993-94 budget, as recommended by the Mayor, eliminated four vacant positions from the OCC's 1992-93 authorized staffing level. These positions, all of which were vacant at the time the 1993-94 budget was approved, were as follows:

Positions	Maximum Annual Salary
(1) 8127A Chief Investigator	$67,390
(1) 1823 Sr. Administrative Analyst	58,203
(2) 1425 Sr. Clerk Typists ($33,877 each)	67,754
(4) Total Maximum Annual Salaries	$193,347

2. The Police Commission approved a supplemental appropriation request to restore the four positions. The Mayor has recommended that three of the four positions be restored (disapproving the request for the 1823 Sr. Administrative Analyst) for the last five months of the 1993-94 Fiscal Year requiring the following expenditures:

Permanent Salaries	$50,760
Mandatory Fringe Benefits	10,660
Total Request	$61,420

Comments:

1. The 8127A Chief Investigator position became vacant in March, 1992. The OCC reports that the Civil Service Commission is now completing certification of a list of candidates and that the Chief Investigator can be hired as soon as the position is authorized and funding approved. Restoring and filling this position is critical to "coordination and management of the investigative unit, as well as other management and community outreach programs" according to Ms. Alfreda Davis-Porter, Director of the OCC.

2. The OCC has recently published a Statistical Report to the Police Commission incorporating ten months of statistics for the period of January, 1993 through October, 1993. This report stated that, as of October 31, 1993, the OCC had 485 pending complaints which have not been "closed". This level of pending complaints represents a 42 percent increase over the 342 complaints pending on December 31, 1992.

The OCC also reports that, as of January 1, 1994, there are approximately 663 complaints pending. Of this total, approximately 200 have been investigated and a finding has been made, but await clerical processing. The large backlog for clerical processing appears to substantiate the need for the two Senior Clerk Typist positions.

3. The attached letter from the Director of the Office of Citizens Complaints was prepared in response to the Budget Committee's request for further justification in support of this request to add three positions and related fringe benefits.

Recommendation: The proposed supplemental appropriation is a policy matter for the Board of Supervisors.

THE POLICE COMMISSION
OFFICE OF CITIZEN COMPLAINTS
CITY AND COUNTY OF SAN FRANCISCO

ALFREDA DAVIS PORTER
DIRECTOR

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February 16, 1994

Supervisor Tom Hsieh
Chairman, Board of Supervisors Budget Committee
City Hall
San Francisco, CA 94102

RE: File 101-93-70 and 102-93-19

Dear Supervisor Hsieh:

This letter is in response to your request for additional information to support the supplemental budget appropriation request which will be heard before the Budget Committee on February 23, 1994. As you are aware, the OCC is requesting approval of $61,420 to restore three previously funded positions critical to the efficient operation of the agency, one chief investigator and two clerical positions.

The OCC has historically been underfunded; so much so that three studies of the agency, including one by Budget Analyst Harvey Rose's office, one by the Mayor's Disciplinary Task Force, and a Civil Grand Jury investigation, have all concluded that the OCC was grossly understaffed. The budgeted staffing level of 19, in place before four positions were cut in June 1993, had just begun to achieve some of the recommendations cited by the above studies. Although the positions were not filled at the time they were cut, Civil Service testing and paperwork procedures were in place to proceed with hiring.

The Chief Investigator position is key to ensuring quality control of the investigative work product. In addition, the Chief Investigator is responsible for handling budget and personnel matters which have fallen on senior investigative staff. This has resulted in attention being diverted from investigative duties, and a rise in pending investigations over the last year.

The loss of the two clerical positions has had a dramatic effect on the ability of the agency to process completed cases. Our recent statistical report showed a rise in the pending caseload from 342 at year end 1992, to 663 at year end 1993. Two hundred of these cases were awaiting clerical processing.

Court ordered demands for discovery, and additional paperwork and reporting requirements resulting from increased OCC openness (mandated through the recently negotiated police MOU), add to the urgency of the need for these pivotal positions. It is vital to the agency that the positions be restored.

Please have your staff contact me if there are further questions regarding this supplemental appropriation request. Your attention to this matter is appreciated.

Very truly yours,

Alfreda Davis Porter

Alfreda Davis Porter
Director

cc: Supervisor Angela Alioto, President, Board of Supervisors
Supervisor Sue Bierman
Harvey Rose, Budget Analyst

Item 15 - File 217-94-2

Note: This item was continued from the January 26, 1994 Budget Committee meeting.

This item is a hearing to consider the status of the Board of Supervisors request for a $290,000 supplemental appropriation for the Senior Escort Program.

In order to meet the budget reduction target required by the Mayor's Office, the Senior Escort Program's FY 1993-94 budget was reduced by $764,524 from the FY 1992-93 budget of $2,112,069 to $1,347,545. This reduction reflects the elimination of 25 positions, with the total staff being reduced from 42 positions to 17 positions.

Based on a January 10, 1994 letter from the Mayor to the Board of Supervisors, the Mayor's Office indicated that (1) the Police Department considers the present budget sufficient to support the Senior Escort Program, as the Program was intended, and (2) the Police Department has not indicated any need for additional supplemental appropriations. Ms. Teresa Serata of the Mayor's Office confirms that the Police Department has not submitted a request for an additional $290,000 supplemental appropriation for the Senior Escort Program.

In response to the Budget Committee's request for a review of the Senior Escort Program, according to Ms. Serata, the Mayor's Office has conducted interviews with Senior Escort staff and a needs assessment of the Program but has not yet completed its final plan for how to staff the Senior Escort Program. Ms. Serata anticipates that a draft plan will be completed by February 25, 1994 and would be available for review by representatives from labor organizations and the Budget Analyst's Office. Ms. Serata therefore requests that this hearing be continued until the March 9, 1994 Budget Committee meeting, at which time the Mayor's Office would be able to present a final plan to the Budget Committee. Ms. Serata will be available at the February 23, 1994 Budget Committee meeting to provide the Committee members with additional comments and to respond to any questions.

Item 16 - File 69-94-2

Note: This item was continued from the Budget Committee meeting on February 16, 1994.

Department: Clerk of the Board of Supervisors, Assessment Appeals Board

Item: Motion directing the Clerk of the Board of Supervisors to submit to the Mayor a request for a supplemental appropriation for $101,663 to strengthen the Department of the Board of Supervisors in its ability to hear tax assessment appeals.

Description: The Board of Supervisors currently has pending before it legislation which would, in part, add an additional Assessment Appeals Board, provide for the appointment of one or more Hearing Officers, increase the compensation to Assessment Appeals Board members and establish new fees in connection with the assessment appeals process (File 97-93-51.1). This legislation is primarily aimed at restructuring and strengthening the Assessment Appeals Board's process to address a significant increase in assessment appeals filed in 1993. According to the Clerk of the Board, the number of assessment appeals filed in 1993, which totaled 6,568, was more than seven times the average number of 896 filed for the previous two years.

The proposed motion would authorize the Clerk of the Board to submit to the Mayor's Office a request for a supplemental appropriation for $101,663 to pay for the costs associated with the proposed restructuring and strengthening of the Assessment Appeals Board for FY 1993-94, as detailed in Attachment I of this report. Attachment II of this report outlines the Clerk of the Board's justification for the proposed supplemental appropriation request.

Comments: 1. It should be noted that $6,812 of the proposed supplemental appropriation request of $101,663 is earmarked to restore funds to the Clerk of the Board's budget which were used to pay for accumulated vacation time owed to an 1835 Administrative Assistant who recently resigned. This restoration of funds would assist in enabling the Clerk of the Board to meet its salary savings requirement for this fiscal year. This expenditure is not related to the proposed changes in the Assessment Appeals Board or to costs associated with the increased number of assessment appeals.

2. The Controller's Office projects that the Board of Supervisors may have surplus funds in the amount of $39,000 in its FY 1993-94 budget. Based on our independent review, the Budget Analyst estimates a minimum of $25,000 would be available from the Mandatory Fringe Benefit's appropriation which could be rescinded as a funding source for the proposed supplemental appropriation. The Clerk of the Board concurs with that calculation. Therefore, if $25,000 were rescinded from the Mandatory Fringe Benefits Appropriations in the Board of Supervisors budget this could result in $76,663 of the $101,663 coming from the requested supplemental appropriation. An additional analysis would also be performed at the time the Mayor's recommended supplemental appropriation amount is submitted to the Board of Supervisors for approval.

3. Mr. John Taylor, Clerk of the Board, advises that he is in the process of preparing a preliminary report on the estimated revenues that will be generated for FY 1994-95, based on the pending new Assessment Appeals Board fees. According to Mr. Taylor, this report will be made available to the Board of Supervisors prior to the Budget Committee meeting of February 23, 1994.

4. The Assessment Appeals Board's budget for FY 1993-94 is $131,168, of which approximately $129,593 represents General Fund monies and the remaining $1,575 is derived from revenues generated from the existing Findings of Fact fees.

Recommendation: Should the Board of Supervisors approve the proposed motion, the Budget Analyst recommends that the specified amount of $101,663 be reduced by $25,000 from $101,663 to $76,663. Approval of the proposed motion is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Migden
President Alioto
Supervisor Shelley
Supervisor Bierman
Clerk of the Board
Supervisor Conroy
Chief Administrative Officer
Supervisor Hallinan
Controller
Supervisor Kaufman
Teresa Serata
Supervisor Kennedy
Robert Oakes
Supervisor Leal
Ted Lakey
Supervisor Maher

Office of the Clerk of the Board of Supervisors
Assessment Appeals Board

1. Assessment Appeals Board		Cost
We now have funds for our one assessment appeals board to meet until March 25. We propose to have provide funds for Boards to meet for an additional 14 weeks, 5 days a week, 3 members/Board. At $100/day:	Salary	$21,000
	Fringes	1,628
2. Hearing Officers		
We propose to select from Assessment Appeals Board Alternate Members hearing officers to hear appeals on 125 days. At $100 a day:	Salary	12,500
	Fringes	969
3. Equalization Clerk		
We propose to return the Equalization Clerk to a year around position instead of seasonal, and thus to pay four more months this fiscal year.	Salary	12,029
	Fringes	1,597
4. Temporary Clerks		
Temporary Clerical Help October 12 to November 23, 1993.		9,031
5. Inherited Vacation Pay		
To restore funds used to pay a departing aide for vacation earned in other departments:		6,812
6. Assessment Appeals Board Pay Increase		
Cost of raising pay of Assessment Appeals Board members and hearing officers from $100 a day to $200 a day effective March 28. 70 days x 3 members x $100, and 125 hearing officer days x $100.	Salary	33,500
	Fringes	2,597
	TOTAL	$101,663

This proposal would permit about 3900 appeals to be heard this year, most of them involving residential property.

The increased fees proposed in the pending ordinance will cover much of this cost in future years but very little in the current year. Filing fees would be effective next year, hearing fees would probably be effective next year, findings of fact fees would be effective this year.

Supplemental Appropriation Request

Office of the Clerk of the Board of Supervisors
Assessment Appeals Board

Assessment Appeals Filed

Year	Number	Year	Number
1988	489	1991	813
1989	509	1992	979
1990	649	1993	6568

As the table shows, in several recent years the number of appeals has increased about 25% over the previous year. But appeals filed in 1993 were more than seven times the average of the previous two years.

State law provides that if an appeal is not decided within two years, the taxpayer's opinion of value prevails. Thus it is essential to hear appeals within two years.

Normally our one Assessment Appeals Board meets about 55 to 70 days a year. That will not be enough this year. Normally our Assessment Appeals staff consists of two people. The both used to work year around. But in recent years, although appeals increased somewhat, in order to save money we changed one position to seasonal, to 3/4 time, then to half time. That will not be enough this year. The Clerk proposes restoring the seasonal position to a full year position as long as the appeals volume remains so high.

The Budget Committee has before it a proposed ordinance to create a second assessment appeals board and to permit hearing officers. We propose to have one assessment appeals board sit for three days a week, as it does now, and the new board sit for two days a week. We propose to have hearing officers sit for 130 hearing officer days this fiscal year (probably two officers a day for 62.5 days).

The ordinance would also increase the pay of Assessment Appeals Board members from $100 a day to $200 a day in order to assure we can attract enough quality people to perform the difficult function. The estimated cost of the change, if effective March 28, would be $36,097.

The department would be meeting its $56,000 salary savings requirement this fiscal year except for two major items. One is that after the great volume of assessment appeals was received in September, the Clerk hired three clerical employees on a temporary basis from October 12 through November 23, simply to get the appeals opened, logged, copied, and sent to the Assessor. The Clerk had money to use for this purpose, but if it is not restored, it will require unpaid furlough days.

A second problem with respect to salary savings is that early in 1993 the Board hired an aide who had worked for another department and brought with him an accumulated vacation with a value of $6,812. The aide left late the same year to work with the Redevelopment Agency. It was necessary to pay him $7,488 from the Board's budget for his accumulated vacation. While our budget should have to bear the burden of the $676 unused vacation accumulated while he was here, it seems unfair for us to have to impose unpaid furlough days to pay for the carryover from other departments. Thus the Clerk requests a supplemental appropriation for that purpose of $6812.

The Board should be assured that the Clerk will spend no new funds unless it is necessary.